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savills

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Financial Summary

- Pre-tax profit of £50.2m.
- Turnover up 9% to £328.0m.
- Group operating profit up 10% to £39.0m.
- Group operating profit margins, excluding sale of trading properties were 11.6%.
- Basic earnings per share 62.2p (2003 - 37.0p) and adjusted basic earnings per share excluding sale of trading and investment properties, impairments and amortisation of goodwill 55.7p (2003 - 37.7p).
- Final dividend up 25% to 12.5p per share making a total for the year to 31 December 2004 excluding the special dividend of 18.5p per share.
- Special dividend of 20.0p per share payable with the final dividend.

Financial Calendar

Results announced:	**2 March 2005**
Ordinary shares ex-dividend:	**13 April 2005**
Annual General Meeting:	**4 May 2005**
Proposed final ordinary dividend payment date for shareholders on the Register at 15 April 2005:	**12 May 2005**

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Registered in England No. 2122174

Chairman's Statement

Results

This year marks the 150th anniversary of Savills and it is fitting that this is also the year in which the Group consolidated all of its subsidiary branding under the Savills name.

While the name is longstanding and the firm is built on a solid foundation, as a listed company Savills plc is only fifteen years old and we still consider ourselves a young, dynamic and forward thinking Group. We continue to broaden and strengthen our property expertise across a wide spectrum of markets and disciplines.

Our results this year show the rewards to be gained from being a broadly based property advisory group ready to take the opportunities of a constantly evolving market. This is my first report as Chairman and I am, therefore, particularly delighted to be able to report an outstanding set of results following strong performances from all our operating businesses.

Profits in the second half have historically exceeded the first half and this has again been the case this year with a full year pre-tax profit of £50.2m (2003 - £34.1m). 2004 turnover increased by 9% to £328.0m (2003 - £301.7m). Group operating profit was £39.0m (2003 - £35.3m). Group operating profit margins, excluding the sale of trading properties, were 11.6% (2003 - 11.2%).

A reduced effective tax rate of 30.2% (2003 - 36.4%) together with increased profits resulted in basic earnings per share increasing substantially to 62.2p (2003 - 37.0p). Shareholders' funds increased to £102.8m (2003 - £95.7m) and cash balances to £90.1m (2003 - £71.9m).

Dividend

The Board is recommending a final dividend of 12.5p per share to those shareholders on the register on 15 April 2005, payable on 12 May 2005, making a total for the year of 18.5p (2003 - 13.6p). This increase is in line with our current progressive dividend policy, which remains unchanged and reflects long-term confidence in the business. In addition to the final dividend and as announced in our trading update statement of 22 December 2004 the Board have decided this year to recommend a special dividend of 20.0p per share to be paid on 12 May 2005 to those on the register as at the close of business on 15 April 2005. This is possible because £16.0m was generated from property trading and investment over the past few years. These profits are regarded as non-recurring and the Board has taken the decision to pass the post-tax benefits of these profits to shareholders.

Highlights

In the UK we have continued to develop the business and expand on the range of services we are able to offer our clients. The investment markets have remained strong, and our agency teams have been active and successful. We have expanded our offering to commercial clients in the UK and in October 2004 opened an office in Leeds adding to our increased commercial presence in the Regions. We have also added to our network of residential and multi-disciplinary offices in fifteen new locations through a combination of new openings and small acquisitions in key locations.

This year saw the launch of our fund management arm, Cordea Savills. During the year funds under management increased materially as the result of two new fund launches: the Savills Investor Syndicate No. 1 for UK private and institutional investors and Europa Immobiliare No. 1, a European fund for Italian private investors where Cordea Savills acts as delegated investment manager and advisor.

The Government has recently reiterated its commitment to the creation of an increased supply of housing stock. Savills, with its unique expertise in the areas of affordable housing and mixed-use development, are assisting clients in these areas. Both commercial and residential investors now have an increased appreciation of the importance of property as an investment class and Savills is well placed to take advantage of the opportunities that will arise from this increased awareness.

Our Research teams continue to provide widely respected advice to private and commercial clients through the production of articles such as 'The Residential Property Focus' and 'Office Futures'. New and emerging markets continue to be explored.

In Europe we recruited a team and opened an office in Poland. We also purchased a majority stake in our Associate in Sweden, Tufvesson & Partners Fastighetsrådgivning AB, which is part of our continued strategy to grow our offices in commercial centres throughout Europe.

Peter Smith

In Asia and Australia we continue to make progress and to consider opportunities as they arise. This past year we opened an office in Tokyo and expanded our offering in Singapore through the acquisition of Hampden & Partners, where we continue to develop our investment operation. Offices in China are now profitable and making a strong contribution to our Asian business; our new operation in Macau is offering clients access to professional services and retail markets.

Share Buyback Programme

At the last Annual General Meeting (AGM) shareholders gave authority for a limited purchase of Savills shares for cancellation of up to 5% of the issued share capital. During the year ended 31 December 2004 1,410,000 shares (2.3%) were repurchased for cancellation under this programme. As announced on 22 December 2004, the Company undertook an irrevocable, non-discretionary programme to re-purchase its own shares during the close period. During this period the Company bought 100,000 shares for cancellation. The Company may make further purchases of shares under this authority in the open period up to the AGM to be held on 4 May 2005. This programme has proved to be particularly earnings enhancing and Shareholders will again this year be asked to consider a resolution to approve the re-purchase of shares. This is outlined in the Notice of Annual General Meeting which will accompany these Report and Accounts.

Board and Staff

I joined the Board on 24 May 2004 and took over as Chairman on 1 November 2004 following the retirement of Richard Jewson. I am privileged to have taken over at this exciting time in the life of the Company.

On behalf of the Board I wish to convey our appreciation for the valuable contribution made by Richard Jewson. Under his guidance, Savills has over the last decade grown significantly with pre-tax profit having increased tenfold.

The Board is pleased to announce that with effect from 31 March 2005, Robert McKellar has been appointed to the role of Chief Executive - Asia Pacific. He will have specific responsibilities for growing and developing this important part of our business. Danny O'Connell will be appointed Group Financial Controller and will report directly to the Group Chief Executive. Danny O'Connell will have specific responsibilities for managing, monitoring and controlling the Group's systems of financial control. In addition, each operating division has a dedicated Finance Director who liaise closely with the corporate financial management team.

Savills' continued development and growth is a result of the committed and dedicated efforts of our talented staff whose ability to add value to our clients is the basis for the excellent results achieved in 2004. I thank them all for their contribution. Our reward system is an important mechanism in providing a balance between the interests of staff and shareholders.

My appointment as Chairman presented a timely opportunity for the Board to consider the composition of its various Committees and to ensure that its governance processes fully reflected the requirements both of the size and structure of the Company as well as that of the revised Combined Code. Full details of the various committees is outlined in the Corporate Governance Report on pages 24 and 25.

Outlook

The continuing buoyancy of the global investment markets is encouraging for the prospects in all parts of our Commercial business in 2005; prime residential markets remain resilient. We have enjoyed a satisfactory start to the year and are confident that the Company will continue to perform well.

Peter Smith Chairman

Group Chief Executive's Review of Operations

2004 was a record year for Savills with pre-tax profits up by 47% and basic earnings per share of 62.2p (2003 - 37.0p). This was largely as a result of strong operating profits from all parts of the business with the commercial investment markets particularly buoyant.

The commercial agency markets continued to perform well throughout 2004 despite concerns that the market was slowing; strength in transactional income was primarily from the investment market where investor confidence remained strong.

In the UK we have increased our services to commercial clients in key regional locations through a number of small strategic acquisitions and additional office openings.

Trading in Savills' European offices was again profitable this year with strong performances from Spain, Germany and Italy. Our investment teams in Germany and Spain performed particularly well in a very difficult market. We continue to expand and strengthen our presence in Europe, where we identified opportunities for growth and this year saw the opening of a new office in Poland. In December we acquired a 51% stake in our associate business in Sweden.

Our investment in the development of our fund management operations both within the UK and on a pan-European basis, resulted in Cordea Savills becoming the manager of two new closed end property funds. €283m of equity was raised in respect of Europa Immobiliare No. 1 for investment in property assets over the next couple of years and £24m of equity was raised in respect of Savills Investor Syndicate No 1 Fund for UK investors.

In Asia, the business continued to benefit from a strong market and a dominant position in investment and residential sales with Chinese buyers continuing to be active despite rising prices. In China, income growth remained strong, in particular the property management sector which has been successful in winning several new mandates. In Singapore, the addition of a residential business increased the scope of the property services offered. Towards the end of the year, following the acquisition of a third-party property management business, we opened an office in Tokyo. This acquisition ties in with our strategy to further expand our successful Asian operations.

As announced on 2 March 2005, Robert McKellar, our Group Finance Director has been appointed as Chief Executive - Asia Pacific with effect from 31 March 2005.

Savills remains focused on developing and expanding the services it offers both in the UK and internationally by recruiting high quality staff, investing in new areas of business and where appropriate opening new offices.

Transactional Advice

The Transactional Advice business stream comprises commercial, residential, agriculture agency and investment. During the year turnover was £149.0m (2003 - £119.4m), representing 45% of our total turnover, generating profit before interest and tax of £25.1m (2003 - £18.0m).

Commercial Investment and Agency

In the first quarter of 2004, property remained in strong demand from both private and individual funds in the UK and abroad, who were attracted by the relatively high secure yields offered by commercial property investment. During 2004, this increased demand and competition for stock gave rise to some yield compression but the markets have remained firm.

The European investment team acted in the sale of a new office development in Paris for CGI for €334m.

In the UK, our London and regional investment teams were also involved in a number of significant transactions, including:

- the acquisition for CGI of the Whitecity retail development, the UK's single largest commercial property transaction in 2004;
- the disposal for Deka Immobilien Investment GmbH of St Enoch Centre, Glasgow for £272.5m;
- the disposal for Pillar of a number of retail and leisure assets, including the disposal of Fulham Broadway Shopping Centre, London (£97.7m); Omni Leisure Park Edinburgh (£74.3m) and Gallions Reach Shopping Park, Beckton (£78.7m);
- £195m worth of acquisitions and disposals on behalf of Modus Properties which included O12 Shopping Park, Southport and Castle Dene Shopping Centre, Peterlee;
- the acquisitions of Durham City Retail Park, Nova Scotia Retail Park, Blackburn and the sale of the B&Q Warehouse, Sunderland on behalf of F&C Asset Management;
- one of the largest industrial estate transactions in the North West, Globe Industrial Estate, on behalf of ING Real Estate;
- the disposal of BHP Billiton Petroleum Great Britain Limited UK office headquarters, namely One Neathouse Place, London for Quintain, achieving a price of £88m;
- advising the Prudential on the acquisition of Temple Quay House, Bristol for £44m;
- the sale of Forbury Square, Reading comprising of 148,000 sq ft new Grade A offices on behalf of Argent Estates Limited sold to Stonemartin Plc and Morley Fund Management for £40m; and
- the acquisition of Leon House, Croydon, for Exemplar Properties and HSBC Active Property Fund at a price of £35m.

Aubrey Adams

A developing part of our investment business is the provision of property investment advice to clients in relation to indirect investment in property. This year our investment advisory team acted for UBS in relation to the property related aspects in respect of their South East Office Recovery Fund (SERF).

The West End Office Agency department acted in 40 transactions totalling 330,000 sq ft. Notable transactions included: the assignment of the lease of the 50,000 sq ft at 30 Berkeley Square, Mayfair to GE Capital and Boodle Hatfield, solicitors, in their relocation to new offices of 30,000 sq ft at Lumina, 89 New Bond Street.

In the City, we advised PC on the acquisition of their new European headquarters building of 450,000 sq ft at 1 Bankside for c£200m.

The transactional markets in Hong Kong rebounded significantly from the difficulties experienced in 2003, with income increasing by 100%. The huge upsurge in demand emanated predominantly from Hong Kong and Chinese buyers who were quick to realise the hidden value in previously depressed prices. Savills was able to act for over 50% of the Grade A transactions in Hong Kong and strengthen its position as the premier capital transactions agent.

Retail and Leisure

The Retail Warehouse team experienced another strong growth year with an increased number of leasing and development instructions. The team advised on over 100 retail parks throughout the UK for clients such as Pillar Plc, Hammerson plc, Henderson Retail Warehouse Fund and Royal London Asset Management, as well as leading retailers such as B&Q plc, Boots The Chemist Ltd and Next plc.

The In-Town Retail department was expanded with the recruitment of three new Directors who joined the London office in July. Along with the Commercial Investment team, the department provided advice to Land Securities Plc closing one of the largest swap deals ever recorded which included acquiring four shopping centres at Lewisham, Welwyn Garden City, Glasgow and Taplow which formed part of the £720m combined asset swap transaction with Slough Estates, completed in December 2004.

Hotels and Healthcare

2004 has seen further growth in revenue and profit together with continued expansion of the department with the recruitment of additional valuers and agents. Notable deals include the Corus Hotels PLC portfolio and a portfolio of Accor hotels, acquired by London and Regional Properties under a sale and leaseback transaction. We increased our international presence with particular involvement in Spain, Barbados and the negotiation of a deal with Four Seasons for a significant resort in Mauritius.

The National Healthcare team continued to consolidate their position as one of the market leaders in the sector in terms of both transactional and consultancy advice. The team widened their banking client base and advised on primary healthcare LIFT schemes. Notable transactions included the sale of Brookmoon Healthcare Ltd, a Midlands based portfolio of purpose built care homes, to Barchester plc and the sale of Scottish care home group Burnfoot Homes Limited to Mead Medical.

Residential Agency

The residential markets noticed a significant increase in buyer confidence in the first six months of 2004, which resulted in increased activity. On the back of this we expanded our business in the Home Counties and opened new offices in Farnham, Beaconsfield and Harpenden. We also opened offices further afield in Cirencester, Solihull, Wilmslow and Clifton.

2,600 properties were sold during the year equating to approximately £2.6bn in value. The average property sale was c£1.5m in London and c£0.7m in the country. Highlights included:

- the sale of eight houses in excess of £10m in London;
- the sale of Moundsmere, Hampshire, a substantial country house for well in excess of the £6m guide price; and
- Ayot Mountfitchet, the most expensive house ever to be sold in rural Hertfordshire (guide price £5.5m).

In Hong Kong, the strength of the recovery enabled Savills to act for an increasing number of local buyers who were keen to take advantage of rising prices for prime residential properties, including new developments.

Purchasing Advice

Prime Purchase, a wholly owned subsidiary specialising in acquiring residential property in both London and the country on behalf of retained clients, commenced trading in 2002. During the last two years the business has seen excellent growth and had a successful year doubling its turnover in 2004 over that of the previous year.

Of particular note was the acquisition of a substantial house in Chesham Place (over 7,250 sq ft) and the purchase of Chedington Court near Sherborne in Dorset, one of the South West's most impressive country houses.

Fulham Broadway Shopping Centre, London
Sold on behalf of Pillar
£97.70 million

Gallions Reach Shopping Park, London
Sold on behalf of Pillar
£78.70 million

Omni Leisure Park, Edinburgh
Sold on behalf of Pillar
£74.27 million

Residential Letting

There were strong indications of a recovery in the residential lettings market in 2004 illustrated by a 10% growth in new lets in the London region which represented the core of our lettings business. New lettings businesses were acquired in Harpenden and Sunningdale.

Auctions

With the ever increasing interest in property as an investment or pension provision, a diverse range of clients are now using auctions as a fast and effective method of property acquisition and disposal, for example we acted for private and public companies, local authorities, county councils, housing associations, charities and development agencies.

During the year, the London National Auction department sold 640 lots with a value of £140m at an average success rate of 87%, one of the highest in the industry. Residential and commercial properties were sold in Manchester, Liverpool, Birmingham and across the south east to Bristol and the West Country.

A new dedicated commercial auction department has been recruited into our London office which will further increase the profile of our auctions business.

New Homes

At the Building Homes 2004 awards, the Savills New Homes department won "Best New Homes Agent". We continue to develop our expertise in the rapidly emerging key worker and residential investment sectors and are advising on many major regeneration schemes which should lead to significant future new homes instructions.

The new homes market has experienced some slow down, but despite this 3,535 units were sold with a total value of £1.28bn. Notable transactions included sales at The Knightsbridge, London's most prestigious development, where close to half the c200 apartments are now sold including a penthouse with an asking price of £18m.

New instructions included the appointment by Crest Nicholson for the first phase of their Harbourside scheme in Bristol, and by Ballymore Properties on their 260 unit, Ontario tower development in London's Docklands.

International New Homes

The International Residential department had a successful year selling property at new resort developments around the world including The Palm Islands in Dubai, the Arc1950 ski resort in the French Alps and The Provence Golf and Country Club near Avignon in the South of France. A recent trend has been the growing interest in resort buy-to-let property. The associate network has been expanded and the number of high-end instructions and sales has increased. We have recently set up an emerging markets and international residential consultancy division, which has secured several good instructions.

Development

The Savills Development and Regeneration team assists a range of clients on projects with issues such as sustainable and green designs, collaboration and partnerships in and across private and public sectors, and large scale multi-sector projects. The team was also involved in promoting a number of highly sustainable schemes aimed at reducing CO2 emissions from both buildings and modern lifestyles, including projects in urban and on brownfield sites using land value and enhanced density to create cross-subsidy. These projects require coordination and financial modelling capacity. The team's involvement included acting as core advisors and agents on some of the largest development projects in London such as: New Wembley for Quintain Estates and Development PLC; Greenwich Peninsula on behalf of Meridian Delta Ltd; the regeneration of town centres such as Feltham where a multi-use scheme of approximately 1m sq ft is being developed.

Farm and Estate Agency

Although a number of properties were traded privately throughout 2004, there were fewer flagship estates on the open market and fewer acres of farmland sold than in 2003. The effect of this shortage of supply was that land prices rose by up to 20% during the year.

Savills were seen to be active during the year both on the sale and the acquisition of farms and estates for clients. Successes included the sale of the largest privately available estate in 2004, and other highlights included the 1,000 acre Dunmore Estate in Kent. Purchases included the majority of The Burnley Hall Estate in Norfolk, The North Green Estate in Norfolk with a guide price of £3.75m and the Eastcourt Estate in Gloucestershire with a guide price of £4.75m.

Consultancy

Our Consultancy business generates fee income from a wide range of professional property services including valuation, building consultancy, landlord and tenant, rating, planning, strategic projects and research. Profit before interest and tax for the year was £9.6m (2003 - £7.6m) on turnover of £60.2m (2003 - £49.1m).

Valuation

The Commercial Valuation department had another exceptional year increasing billing by 38% in London. In addition, our recently established teams in Manchester and Edinburgh enjoyed similar success. The core business of the department continues to be valuations for lenders for loan security purposes, for which we provided advice to over 50 lending organisations during the year. We also saw an increase in our litigation support work. We have gained a reputation, not only for impartiality, but also for valuing properties at the upper end of the market including major portfolios for financing purposes. Our instructions included a portfolio of 24 Debenhams department stores and a portfolio of 56 Somerfield food stores valued at over £400m and over £150m respectively. We advised on many properties with a value in excess of £100m including St Katharine's Dock, E1 at over £300m, again for financing purposes. The regular valuation of large parts of Canary Wharf for financing, accounts and other purposes remains a major instruction.

The Residential Valuation department had another successful year building on its strength as a 'One Stop Shop' professional services provider. The newly dedicated Land and New Homes Valuation team valued in excess of £1bn of residential and mixed use development schemes in London and the South East. In addition, we valued for loan security purposes in excess of £2bn worth of property, including an unprecedented number of houses in excess of £10m each in London. We continue to advise landlords and tenants on enfranchisement valuations and provide valuations for matrimonial settlement, being retained in some high profile cases. We also valued c£300m of residential property held as portfolio investments.

Building Consultancy

Our Building Consultancy team focused on stock condition surveys and procurement advice in the social housing sector and enjoyed another year of growth, doubling the size of the business. The Government objective of making all social housing properties decent by 2010 has substantially increased the demand for our specialist services. During the last year we worked with many Housing Associations and most of the large Metropolitan Local Authorities with notable projects in Haringey, Birmingham, Manchester, Liverpool, Newcastle, Glasgow and Aberdeen. We have also advised on a number of housing PFI schemes.

We acted for purchasers of the Radisson SAS Hotel at Manchester Airport as well as a number of prime office buildings. Our sizeable national team carried out pre-acquisition surveys on part of the Safeway supermarket portfolio acquired by Barclays Capital and Robert Tchenguiz from Morrisons and now let to Somerfield. We represented the Sainsbury Family Charitable Trusts on a number of projects including the extension and refurbishment of Lord Foster's Sainsbury Centre for Visual Arts.

The City based Project Management team, which focus on occupier "fit out" works, have been successful in securing some significant projects including the monitoring of PC's new 500,000 sq ft Head Quarters at Land Securities Bankside scheme, the development, monitoring and fitting out of a new UK parts distribution unit for Suzuki GB plc and numerous offices including DLA Solicitors Piper Rudnick Gray Cary in Sheffield for Mitsui & Co's European and UK head office. A significant number of pre-acquisition surveys were undertaken in the City, the largest being for Lloyds of London, which reflects the current high demand for investment properties.

The Manchester based Building Consultancy team increased their contribution this year. Key clients include Kenmore, Burford and UBS; with the size of projects getting larger year on year. Key framework agreements are now in place with Morley and UBS.

Landlord and Tenant

Whilst the office market in London and the South East was more difficult with fewer rent review fees generated than in the previous year, the Landlord and Tenant department reported income for the year marginally below that of 2003 with market share increasing.

Work on over 200 properties was completed during the financial year, this included working on many of the highest value out-of-town retail schemes throughout the UK. We now act for over 60 landlords in this high profile sector of the property market.

The strength and depth across all sectors gives stability and certainty of income in times when individual markets are weak, as was the case in 2004.

Rating

During the year the business rates team in the UK continued to settle appeals achieving an average reduction of 13% with successful appeals. Despite the fact that the appeals we are finalising related to the third regular recent rating revaluation, we still obtained significant six figure savings for a food manufacturing client who we have advised on rating matters for over 40 years. Rates continue to be an operating cost that merit investigation by clients.

Our expert knowledge of the interaction of value and liability through the operation of the relevant legislation enabled us to double savings for a number of clients; the technical aspects of the UK business rates system require detailed and comprehensive knowledge to maximise savings. We are well placed to advise clients in connection with the 2005 Rating Revaluation.

Planning

The Commercial Planning team has grown significantly in 2004, following the acquisition by Savills of PDC Planning Development Consultancy Limited, a specialist planning consultancy firm based in Manchester. The entire team of seven staff transferred to the Manchester office in September 2004.

The Manchester team works closely with London, and has already introduced new clients including Helical Bar Plc for a major redevelopment project in Cardiff city centre. The team already works closely with Land Securities Properties Ltd on a number of projects throughout the UK.

2004 Turnover by Region

2004 Turnover by Segment

The Planning division continues to expand and is now the sixth largest planning consultancy in the UK according to Planning Magazine's annual survey. Our current position reflects the high level of professional expertise across our planning teams in nine locations. In addition to major developers, landowners and investors, our clients also include English Partnerships and five Regional Development Agencies.

Notable projects last year included a new rail station and transport interchange with hotel, offices and housing for Network Rail and Kier Group; and an Urban Village of 4,000 houses, business and community uses for BP on their redundant Llandarcy Oil Refinery in South Wales.

Urban design and environmental impact assessment are major components of our work. With a diverse and healthy work stream, we are looking forward to further growth of our planning and urban design teams in 2005.

Housing Consultancy

The Housing Consultancy department operates from four offices nationally with approximately 45% of turnover from annual repeat valuations. We continue to increase the range of advice on offer as our Local Authority and Housing Association customers diversify and move into new forms of housing and investment. New instructions included asset strategies for six major housing providers and we are beginning to create opportunities for the regeneration of run down housing.

Research

The Research department continues to provide robust and respected information in the main property sectors whilst also exploring new and emerging markets where little or no other analysis has been carried out. The geographical information facility within the department developed a new and innovative method of assessing the rapidly growing market of retirement villages as well as developing a European retail demand model. The Residential Research team launched an innovative new subscription service to clients called 'The Residential Property Focus'. The Commercial Research team published a major forward looking project for the British Council for Offices, 'Office Futures', looking at trends over the next 20 years. The European team undertook a feasibility study for a 1.2m sq ft mixed use scheme in Cyprus, which is now going through the planning process.

The mixed use team continued to innovate in this fast-emerging area, including development of a research tool to inform the master planning process by assessing the appropriate quantity and mix of facilities and amenities in a new community and their impact on property and land values.

Property Management

The Property Management business continued to show significant growth, generating increased fee income from managing commercial, residential and agricultural properties for owners. During the year turnover was £63.3m (2003 - £57.8m), generating a profit before interest and tax of £4.0m (2003 - £3.9m).

Commercial Management

Commercial Management grew significantly in 2004, primarily resulting from the recruitment of the Shopping Centre team, who were supported in their move by a number of key clients including Catalyst Capital, Edinburgh House Estates, Parkwood Asset Management, O&H Properties and PropInvest. In addition, a number of new clients were won during the year including Morley who appointed Savills in respect of 64 properties throughout the UK.

The client base has also been widened and performance will also ensure organic growth. Strong foundations have been laid for the future and there is focus to strengthen and grow the teams throughout the UK.

The Property Management businesses in Asia were able to increase revenue despite continued competition and fee cutting. Commercial office rents in Hong Kong have risen significantly which has alleviated pressure on fee levels.

Elsewhere in Asia, Savills has opened an office in Tokyo and acquired a property and asset management business that had over twenty contracts for a number of large commercial buildings in Tokyo.

Land and Farm Management

The major issue affecting the countryside in 2004 was the development of the reform of the Common Agricultural Policy ("CAP"). Savills, with the benefit of extensive research facilities, have played a major role in commenting on government proposals and worked closely with the CLA throughout the year. We are now in an unrivalled position to advise clients on the major effects these reforms will have in terms of both land ownership and agri-business. Government regulations and legal requirements in regard to health and safety, insurance compliance, asbestos regulations and similar issues continue to put burdens on property ownership with requirements for greater management input and responsibility. Opportunities continue to arise from the close correlation between the estate management teams and Savills' in-house development and planning expertise.

In line with the restructuring of CAP affecting both the business of land occupation and land ownership, Savills acquired the remaining minority interest in Aubourn Limited and have integrated this service with their land agency advisory management service. They will continue to provide agri-business advice under the Aubourn name within the Savills group umbrella.

Our Rural Property Management business in the UK, a core part of Savills' growth, was increased by the acquisition of Smith Woolley (Oxford and the East Midlands), [illegible] (South

West) and Ewy & Co (Ayrshire). The addition of these businesses adds about 265,000 acres of management and consultancy work to Savills' existing portfolio.

Facilities Management

Savills Guardian (Holdings) Limited, our facilities management operation in Hong Kong, made profits before interest and tax of £1.8m (2003 - £0.4m) on turnover of £22.5m (2003 - £27.7m).

The Hong Kong based facilities management business continued to perform well. Given the integrated offering of our Property Management and Facilities Management business, in the future we will report the figures for Facilities Management with those of our Property Management division.

Property Trading and Investment

These sales made a significant contribution in the second half and operating profit for the Property Trading and Investment business for the year was £2.0m (2003 - £5.1m) on turnover of £13.0m (2003 - £32.3m) and an additional £8.1m profit on disposal of investment property.

During the year Savills completed the sale of the remaining properties held within the Property Trading and Investment division. As announced on 10 August 2004, the sale of Talbot Green Retail Park, Llantrisant generated a profit of £8.1m. Matalan, Leicester Street, Northwich was transferred at market value of £8.5m to Savills Investor Syndicate No.1 LP and 86-88 Above Bar, Southampton was disposed of for £2.9m. No properties now remain within the Property Trading and Investment division.

The Group's interest in Managed Office Solutions (OMV), our managed office space business, continued to develop a strong base and focus on expansion.

Financial Services

The Financial Services division is comprised of Savills Private Finance Limited, which provides residential mortgage broking services, commercial debt broking services, commercial and private insurance services and associated financial products. The division made profit before interest and tax of £3.9m (2003 - £3.9m) on a turnover of £20.1m (2003 - £15.5m).

Savills Private Finance is recognised as one of the leading providers of mortgage finance to the high net worth market covering both residential and commercial properties. During the year, growth has taken place through selective recruitment of key staff and the acquisition of Sherwins Mortgage Services Limited which enabled the company to enter the affordable housing market. The company is now operating from 19 locations throughout the UK.

Fund Management

2004 was a milestone year with the fund management business being rebranded and restructured as Cordea Savills. The repositioning of the business and the recruitment of a number of high quality individuals to complement the existing management team has enabled Cordea Savills to emerge as an important independent fund management organisation.

As well as the growth of existing funds, a strategic decision has been taken to create products specifically aimed at UK private investors. In response to this demand, Cordea Savills Wealth Management was created and the first product for the private investor market, Savills Investor Syndicate No.1 Fund, was launched in October 2004. A number of further product launches for private investors are expected during the first half of 2005. Within Europe, Europa Immobiliare No.1 was launched in 2004 in a joint venture with local partner Vegagest SGR. This fund, advised and managed by Cordea Savills, provides a diversified European real estate portfolio for Italian private investors. The fund was distributed principally by Poste Italiane and equity raised substantially exceeded initial expectations.

In order to support the current and future growth of the business, Cordea Savills has invested heavily during 2004 in infrastructure and people. Further investment is planned during 2005, which will constrain profits growth in the short term. However, the success of the business in retaining and growing its historic client base, coupled with its successful expansion into new growth areas, bodes very well for the future.

Aubrey Adams, Group Chief Executive

Forbury Square, Reading
Sold on behalf of Argent Estates Limited
£40 million

One Neathouse Place, London
Sold on behalf of Quintain
£68 million

Financial Review

Robert McKellar

Results for the year

Group turnover increased by 9% from £301.7m to £328.0m. Excluding turnover from property disposals the overall increase was 16%. Group profit before tax increased from £34.1m to £50.2m and basic EPS increased from 37.0p to 62.2p. Financial highlights for the year:

- The Group operating margins, excluding property trading profits, increased from 11.2% to 11.6% in 2004.
- Operating losses from acquisitions of £0.4m was attributable to the start-up costs surrounding the acquisitions of Smith Woolley and Harpenden.
- Profit from the sale of trading property assets of £2.2m was generated during the period compared to £4.7m in 2003.
- Profits of £0.3m arising from associated undertakings during the year compares favourably to the final write down of the remaining goodwill in the Group's associated undertaking Trammell Crow Company Limited (formerly Trammell Crow Savills Limited) to a nil value, together with related operating losses, totalling £1.6m in 2003.
- Profits of £0.8m from the disposal of an interest in a subsidiary undertaking arose following the decision to dispose of a controlling stake in Adventis Group plc, which was floated on the AIM in July 2004.
- Disposal profits on property investment sales of £8.1m were realised in 2004.

Acquisitions and Disposals

During the year we have completed a number of acquisitions and disposals of businesses or interests in ventures, both in the UK and overseas including:

- On 6 October 2004 Savills (L&P) Limited acquired the Smith Woolley partnership for a consideration of £2.4m.
- On 1 October 2004 Savills Private Finance acquired the business known as Sherwins Mortgage Services Ltd for £847,000.
- In September 2004, Savills acquired the property management business of GMAC Commercial Mortgage Japan KK, which is based in Toyko, for £651,000.
- On 22 December 2004 Savills acquired 51% of the Tufvesson & Partners Fastighetsrådgivning AB, a Swedish property consultancy business based in Stockholm, for £953,000.
- On 6 July 2004 Savills Commercial Limited acquired a business known as PDC Planning Development Consultancy Limited based in Manchester for £1,000,000.
- On 22 November 2004 Savills Commercial Limited acquired a Leeds based investment team for £909,000.
- On 1 July 2004 Savills (L&P) Limited disposed of 26% of its shareholding in Adventis Group plc when the Company was floated on the AIM. Savills (L&P) Limited retains 45.5% of the share capital of the business.

Net cash outflow for acquisitions and disposals during the year amounted to £5.7m (2003 - £7.6m).

Treasury Activities and Policies

The Group's treasury operations are coordinated and managed in accordance with policies and procedures approved by the Board. They are designed to reduce the financial risks faced by the Group, which primarily relate to funding and liquidity, interest rate exposure and currency rate exposures.

The Group's financial instruments comprise borrowings, some cash and liquid resources and various other items such as trade debtors and trade creditors that arise directly from its operations. The Group does not engage in trades of a speculative nature.

Further details of financial instruments are provided in Note 18 of these Report and Accounts. The Board reviews and agrees policies for managing each of the above-mentioned risks. These have remained unchanged during the year under review and are summarised below.

Interest Rate Risk

The Group finances its operations through a mixture of retained profits and bank borrowings at both fixed and floating interest rates.

Liquidity Risk

The Group prepares an annual funding plan approved by the Board which sets out the Group's expected financing requirements for the next 12 months. At the year end, the Group had no debt on which there were fixed or floating interest rates.

Foreign Currency Risk

Our policy is for each business to borrow in local currencies where possible. The Group does not actively seek to hedge risks arising from foreign currency transactions due to their non-cash nature and the high costs associated with such hedging.

Borrowing

The Group retains substantial short-term money market facilities with its bankers of £18m which are currently not utilised.

Net Interest

Net interest receivable is £1.9m (2003 - £0.2m payable). Higher operating cash flows, increased average deposit rates and the disposal of the entire property portfolio during the year together with associated debt, gave rise to the significant movement on last year.

Taxation

The taxation charge decreased to 30.2% of the profit before tax compared with 36.4% during the year to 31 December 2003. The lower tax charge mainly reflects increased profits from Hong Kong where applicable rates are lower.

Minority Interests

The minority interest share decreased to £0.2m (2003 - £0.8m) and reflects that element of profits due to the majority shareholders for the year 2004 prior to the disposal of a controlling stake in Adventis Group plc.

Earnings and Dividend

Basic earnings per share amounted to 62.2p (2003 - 37.0p). Adjusted basic earnings per share excluding sale of trading and investment properties, impairments and amortisation of goodwill amounted to 55.7p (2003 - 37.7p).

The Board is recommending a final dividend of 12.5p (net), making 18.5p for the full year, a 36% increase on last year. In addition, the Board is recommending a special dividend of 20.0p per share to reflect the profits derived from a series of one-off property gains during 2003 and 2004 which are unlikely to be repeated.

Share Capital

During the year ended 31 December 2004, 17,500 shares were issued to participants in the Savills plc United Kingdom Executive Share Option Scheme, 75,000 to participants in The Savills Executive Share Option Scheme and 375,375 to participants in the Savills Sharesave Scheme. A further 55,839 shares were issued to the QUEST. During the year ended 31 December 2004, 1,410,000 shares were re-purchased for cancellation. The total number of Ordinary Shares issued at 31 December 2004 was 60.5m (2003 - 61.4m). Since the year-end, 100,000 shares were re-purchased for cancellation as at 2 March 2005.

Cash Flow and Liquidity

Net cash inflow from operating activities totalled £56.3m which, after allowing for cash flows including taxation, dividends, investments and capital expenditure (see below), produced a net increase in cash of £23.3m. At 31 December 2004, the Group's cash at bank and on short term deposit amounted to £90.1m. This was deposited with banks and financial institutions with top credit ratings for periods not exceeding six months, to match known outgoings.

The Group continues to operate a centralised treasury function, which is not a separate profit centre but purely provides a service to the operating companies. Fixed Asset Investments and Capital Expenditure cash outflow amounted to £9.3m.

Pension Scheme

During the year, the Company undertook the required triennial valuation of the Pension and Life Assurance Plan of Savills ("the Plan"). Full details of this are provided in Note 7 to these Report and Accounts. As a result of this valuation and in order to improve the financial position of the Plan and remove part of the deficit, the Company made a lump sum prepayment of £15m into the Plan in 2004.

Intellectual Property

No value is attributed in the Group balance sheet to internally generated intangibles such as brand name or intellectual property rights.

New Accounting Standards

UITF 38 Accounting for ESOP trusts

In accordance with UITF 38, investment in the Group's own shares, which are held to provide shares to certain employees under a long term incentive plan through its Employee Share Benefit Trust (EBT), are shown as a deduction from shareholders' funds. Total Shareholders' funds as at 31 December 2003 have been reduced by £1,406,000. This change of accounting policy has been reflected as a prior year adjustment and the corresponding amounts have been restated.

The restatement of the prior year figures reduced profit on ordinary activities after taxation by £1,207,000 for the year ended 31 December 2003, reflecting a charge based on the market value of shares at award date rather than cost as required by UITF 17 as revised by UITF 38. The cash flow statement has also been restated to show the relevant cash flows in financing rather than capital expenditure and financial investment.

FRS 17 'Retirement Benefits'

Full adoption of FRS 17 issued in November 2000 by the Accounting Standards Board which replaces SSAP 24 'Accounting for Pension Costs', has been deferred by the ASB until periods beginning on or after 1 January 2005. In accordance with the transitional arrangements of FRS 17, certain additional disclosures are included in Note 7 of these Report and Accounts.

The table in Note 7 illustrates that if FRS 17 had been fully in force as at 31 December 2004, the net worth for the Group would have been reduced by £14.2m (2003 - £17.9m) as a result of a shortfall in the Plan's funding. The Board is reviewing a number of alternative options for providing employee pension benefits due to the increasing economic risk and uncertainty that determine the pension valuations going forward.

International Financial Reporting Standards

International Financial Reporting Standards (IFRS) will be applied, as required for all European listed companies, for our financial year ending 31 December 2005. The Group has been working towards implementation of IFRS and is well advanced in its plan to meet the requirements of IFRS implementation.

The Company has extensively reviewed the impact of the applicable International Accounting Standards (IAS) on the reported UK GAAP results for 2004. The financial effects of the relevant changes are not set out in the Report and Accounts for the year ended 31 December 2004. However, the Group can provide guidance as to the accounting impact of IFRS and the principal areas where IFRS differs from UK GAAP affecting the Group's results are shown below.

- Share-based payments - under UK GAAP, the Group has fully expensed the shares granted based on the market value, such that the annual charge represents the annual award. Under IFRS 2, the Group is required to measure the cost of all the share based payments granted since 7 November 2002 that have not fully vested and amortise those over the life of the grant using an option pricing model. The cost of the options charged to the profit and loss account in 2004 will now need to be spread over the vesting period.
- Goodwill amortisation - under UK GAAP, the Group's policy is to amortise capitalised goodwill on a straight-line basis over its estimated useful economic life. On transition to IFRS, instead of an annual charge to the profit and loss, an impairment review will be carried out at each balance sheet date. Under UK GAAP goodwill amortisation of £2.2m was charged to the profit and loss account in 2004.
- Proposed dividends - unlike UK GAAP, which requires proposed final dividends to be accrued, IFRS only permits recognition of the liability to pay a final dividend which has been approved by the shareholders. This will lead to a one-off increase in net asset value.
- Pension scheme - the Group will be adjusting the opening net assets for the net pension liability of £14.2m in line with IAS 19.

Robert McKellar, Finance Director

White City, London
The acquisition for CGI of the Whitecity retail development, the UK's single largest commercial property transaction in 2004

Directors

The following are on the Board of Directors at 2 March 2005:

1 Peter Smith ◆
Chairman of Savills plc and Chairman of the Appointments Committee
Aged 58, Peter was appointed to the Board as a Non-Executive Director on 24 May 2004 and was elected Chairman with effect from 1 November 2004. His other non-executive appointments are: RAC Plc, where he is Non-Executive Chairman, N M Rothschild & Sons Limited, The Equitable Life Assurance Society and Templeton Emerging Markets Investment Trust PLC. He is a Member of the Finance & General Purposes Committee of the CBI. Formerly Peter was Senior Partner of PricewaterhouseCoopers (PwC) and served for two years as Chairman of Coopers & Lybrand International and as a member of the global leadership team of PwC.

2 Aubrey Adams ▲
Group Chief Executive
Aged 55, was appointed to the Board on 12 February 1990 and appointed as Managing Director on 19 December 1990 and Group Chief Executive on 1 June 2000. He holds non-executive directorships with Associated British Ports Holdings PLC and The Wigmore Hall.

3 William Concannon
Non-Executive Director
Aged 49, was appointed to the Board as a Non-Executive Director on 30 June 2000. He is currently Vice Chairman of Trammell Crow Company. He serves on the Trammell Crow Company Board of Directors. He is based in the US. He was a member of the Audit Committee but resigned with effect from 31 December 2004.

4 Jeremy Helsby ▲
Director
Aged 49, joined Savills in 1980 and was appointed to the Board in 1999. He became Chairman of Savills Commercial Limited on 1 January 2001, is Chairman of Savills (Europe) Limited and a Director of Savills Asia Pacific Limited.

5 Simon Hope
Director
Aged 40, first joined Savills in September 1986 and was appointed to the Board on 1 May 1999. He is head of Savills Commercial Investment, Chairman of Grosvenor Hill Ventures Limited, the direct property investment arm, a Director of Savills Finance Holdings plc and a member of the Charities Fund Property Board.

6 Timothy Ingram ■●◆
Senior Independent Non-Executive Director
Aged 57, was appointed to the Board on 27 June 2002. He is Chief Executive of Caledonia Investments plc and a Non-Executive Director of The Sage Group plc. He was formerly Chief Executive of First National Finance Corporation, a main Board Director of Abbey National plc and a Non-Executive Director of Hogg Robinson plc.

7 Derek McClain
Non-Executive Director
Aged 49, was appointed to the Board as a Non-Executive Director on 28 August 2002. He is Chief Financial Officer of Trammell Crow Company and serves on the Trammell Crow Company Executive Committee. He is based in the US.

8 Robert McKellar ▲

Finance Director

Aged 45, was appointed to the Board on 1 June 2000 having served as Finance Director of Savills Commercial Limited since December 1994. He has been appointed Chief Executive-Asia Pacific with effect from 31 March 2005.

9 Charles McVeigh ■●◆

Independent Non-Executive Director and Chairman of the Remuneration Committee

Aged 62, was appointed to the Board as a Non-Executive Director on 1 August 2000. He is currently Chairman of Citigroup Investment Bank-Private Bank Partnership. He also serves on the Boards of Witan Investment Company plc and EFG-Hermes, and is a member of the Fulbright Commission. Formerly he has served on the Boards of The London Stock Exchange, LIFFE and British American Business Inc. He was also appointed by the Bank of England to serve on the City Capital Markets Committee and the Legal Risk Review Committee.

10 Rupert Sebag-Montefiore ▲

Director

Aged 51, joined Savills in 1980 and was appointed to the Board on 31 May 1995. He became Chairman of Savills (L&P) Limited on 26 October 2004, Savills' general practice surveying subsidiary having served as its Managing Director since May 2000. In January 2001 he was appointed to the Board of Fastcrop plc (the holding company of Primelocation.com), an internet property aggregator site in which Savills (L&P) Limited has taken a strategic investment and was appointed Chairman of that Company on 3 November 2004. He is also a Director of Adventis Group plc and a Governor of Bournemouth University.

11 Fields Wicker-Miurin ■●◆

Independent Non-Executive Director and Chairman of the Audit Committee

Aged 46, was appointed to the Board on 27 June 2002. She is Executive Director of Leaders' QUEST, a Non-Executive Director of the Royal London Group, Carnegie Group AB, and the CDC Group. She is also a member of the Nasdaq Technology Advisory Council in New York, chairs the DTI's Investment Committee and is a member of the Government's Technology Strategy Board and the DTI's Executive Board. Previously she was Chief Financial Officer and Director of Strategy at the London Stock Exchange.

■ Audit Committee
● Remuneration Committee
◆ Appointments Committee
▲ Executive Sub Committee

The Knightsbridge, London
A prime residential development of c200 apartments and mews houses being developed by Knightsbridge Project Management, Completion Summer 2005

Avant Seine, Paris
Savills acted on behalf of CGI in the sale
of a new office development for 334 million

Directors' Report

Principal Activity

Savills plc is a holding company. Its principal subsidiaries' activities are advising on matters affecting commercial, agricultural, residential and leisure property, providing corporate finance advice, property and venture capital funding, and a range of property related financial services.

Dividends

The profit attributable to shareholders is £24.8m (2003 - £20.8m). An interim dividend of 6.0p (net) per share amounting to £3.4m (2003 - £2.0m) was paid. It is recommended that a final dividend of 12.5p (net) per share, amounting to £6.9m (2003 - £5.8m), should be paid together with a special dividend of 20.0p (net) per share amounting to £11.1m, leaving a retained profit for the year of £13.4m (2003 - £13.2m).

Principal Developments

The development of the businesses is detailed in the Group Chief Executive's Review of Operations and the Finance Director's Financial Review on pages 4 to 15.

Directors

Short biographical details of the current Directors are shown on pages 18 and 19. The Directors during the year are summarised below:

- Richard Jewson — resigned - 31 October 2004
- Peter Smith — appointed - 24 May 2004
- Aubrey Adams
- William Concannon
- Jeremy Helsby
- Simon Hope
- Timothy Ingram
- Derek McClain
- Robert McKellar
- Charles McVeigh
- Rupert Sebag-Montefiore
- Fields Wicker-Miurin

In accordance with the Company's Articles of Association, having been appointed since the last Annual General Meeting ("AGM"), Peter Smith will retire at this year's AGM and, being eligible, offer himself for re-election. The Directors retiring by rotation at this year's AGM are Jeremy Helsby and Simon Hope and, being eligible, they will offer themselves for re-election.

Interests in the issued share capital of the Company held at the beginning and end of the year under review by those who were Directors at 31 December 2004 or their families are set out in Note 8(b) to the Accounts on page 50. Details of Directors' share options are given in the Remuneration Report on pages 30 to 36. It is the Remuneration Committee's policy that each Executive Director should retain shares in the Company up to the value of 2.5 times his basic salary.

Substantial Shareholdings

As at 28 February 2005, the Company was aware of the following material interests representing 3% or more of the issued ordinary share capital of the Company:

Shareholders	Number of shares	%
Trammell Crow Company	6,018,000	9.95
The Savills plc 1992 Employee Benefit Trust	5,240,501	8.67
Caledonia Investments plc	2,509,000	4.15
Zurich Financial Services	2,416,000	4.00
Barclays Group	2,109,552	3.49
Legal & General Group	2,057,278	3.40
The Prudential Assurance Company Limited	1,863,221	3.08

Fixed Assets

There is no significant difference between the book and market value of fixed asset properties.

Purchase of Own Shares

Details of the shares held by The Savills plc 1992 Employee Benefit Trust (the EBT) and the Qualifying Employee Share Trust (QUEST) are given in Note 21 to the Accounts on page 67.

In accordance with the Listing Rules and at the AGM on 5 May 2004 the shareholders gave authority for a limited purchase of Savills shares for cancellation of up to 5% of the issued share capital. During the year Savills plc purchased 1,410,000 shares (representing 2.3% of the current issued share capital) for cancellation under the programme at a total cost of £5.7m at an average cost of 404.6p per share excluding costs. As announced on the 5 January 2005, the Company undertook an irrevocable, non-discretionary programme to re-purchase its own shares during the close period. The Company purchased 100,000 shares for cancellation during this period.

The Board proposes to seek shareholder approval at the AGM on 4 May 2005 to renew the Company's authority to purchase its own ordinary shares of 5p each for cancellation. Details of the proposed resolution is outlined in the Notice of Annual General Meeting dispatched to shareholders with this Report and Accounts.

Annual General Meeting

The Notice convening the AGM, to be held at 20 Grosvenor Hill, Berkeley Square, London W1K 3HQ at 12 noon on 4 May 2005, is contained in a circular sent to shareholders with this Report.

Creditors Payment Policy

The Group does not follow any specified code or standard on payment practice. However the Group aims to settle supplier accounts in accordance with the individual terms of business agreed with each supplier. There were 20 days purchases outstanding at the end of the year for the Company (2003 - 78 days).

Charitable Donations and Political Contributions

The amount paid to charitable organisations during the year was £77,000 (2003 - £41,669). In addition to the donation above, during the year under review, the Group operated a 'Give As You Earn' scheme, whereby employees can donate a portion of their monthly salary to a registered charity. The Group also operated a bonus waiver, whereby employees may elect to waive an element of annual bonus to registered charities of their choice upon which the Group augments the donation to the chosen charity by 10%. Those additional Group contributions totalled £13,724 (2003 - £9,619) during the year. There were no political contributions.

Corporate Social Responsibility

The Board recognises the importance of social, environmental and ethical matters in the conduct of the Company's business. The Savills Group is committed to environmental awareness and improvement throughout its operations and, although the impact of our activities on the environment is low compared with other industries, it is our policy to strive to improve the environment for employees and others wherever we operate. The Group's environmental policy is approved by the Board and the Group Chief Executive is responsible for all environmental matters. The Group's policy is to aim towards reduced energy consumption, reduction in waste and promotion of recycling within our offices and to promote practices to enhance the environment when advising clients, including the avoidance of pollution wherever possible.

Employees

The Directors recognise that the quality, commitment and motivation for Savills' staff is a key element in the success of the Group. Employees are able to share in this success through bonus schemes and share options. The Group encourages its employees to develop their skills through training and continued professional development.

It is the policy of the Group to provide employment on an equal basis irrespective of race, sex, disability, sexual orientation and religious beliefs.

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of PricewaterhouseCoopers LLP as Auditors of the Company is to be proposed at the forthcoming AGM. PricewaterhouseCoopers LLP has also provided certain non-audit services to the Company, principally advice on taxation but the Audit Committee is satisfied that such work is best undertaken by PricewaterhouseCoopers LLP and its objectivity is not impaired by reason of this further work.

Registered Office:
20 Grosvenor Hill
Berkeley Square
London
W1K 3HQ

By order of the Board
R T Michelson-Carr
Company Secretary
2 March 2005

Corporate Governance

The Board is responsible to shareholders for the management and control of the Company's activities and is committed to high standards of Corporate Governance. During the last couple of years the Board has conducted an ongoing review of its corporate governance policies and procedures inter alia to reflect the impact of the Higgs Review of the Role and Effectiveness of Non-Executive Directors, the Smith Report on Audit Committees and the revised Code issued in July 2003 (the "Code").

Compliance

The Board considers that, throughout the period under review, the Company has complied with the provisions recommended in Section 1 of the Combined Code which applies to the financial period that is the subject of this Annual Report, except in the following areas:

Code A.2.1 - for the period 1 January 2004 to 31 October 2004, the Board had not identified a Senior Independent Director. On 1 November 2004 Timothy Ingram was appointed as the Company's Senior Independent Director bringing it into line with this particular Code requirement.

Code A.3.1 - for the period 1 January 2004 to 31 October 2004, Richard Jewson continued both as Chairman and Chairman of the Remuneration Committee, notwithstanding the fact that he had then served more than nine years on the Board. Under the Code provisions he could no longer be deemed independent.

Code C.3.1 - for the period 1 January 2004 to 31 December 2004, while the Audit Committee comprised solely of Non-Executive Directors one of those, William Concannon, was not independent. As required under the old Code, the majority of the members of the Committee were independent. Since 1 January 2005 the Audit Committee comprises solely of independent Non-Executive Directors.

At the date of this report the Board considers it is compliant with the Code and outlined below is a description of the ways in which the Company complies with the Code's detailed provisions.

Board Changes

The Board comprises a Non-Executive Chairman, three independent Non Executive Directors, two other Non-Executive Directors and five Executive Directors.

Peter Smith was appointed to the Board on 24 May 2004 as a Non-Executive Director and Chairman designate and was formally appointed Chairman on 1 November 2004 following Richard Jewson's retirement from the Board on 31 October 2004. Peter Smith met the required criteria set out in A.3.1 for independence on appointment and details of the recruitment process are outlined on page 25. This period of changeover provided the Board with an opportunity to reconsider the composition of its various committees. While Richard Jewson had been a member and Chairman of the Remuneration Committee, Peter Smith is not a member or Chairman of either the Audit Committee or the Remuneration Committee. He is a member and Chairman of the Appointments Committee.

Board Composition and Balance

The posts of Chairman and Group Chief Executive are separated. The biographies of the current Board members appear on pages 18 and 19. The Board considers that there is an appropriate balance between Executive and Non-Executive Directors and that no individual or small group of individuals dominates the Board's decision taking. The Non-Executive Directors have a wide range of business experience and expertise and provide a strong independent element on the Board. Notwithstanding the fact that Caledonia Investments plc hold 4.15% of the issued share capital of the Company and that Timothy Ingram is the Chief Executive of Caledonia Investments plc, his appointment to the Board of Savills plc is not in any way related to this shareholding and the Board considers him to be independent. Fields Wicker-Miurin and Charles McVeigh are also independent. Two of the Non-Executive Directors are, however, corporate representatives of Trammell Crow Company, a major shareholder and as such may not be considered independent for the purposes of the Code.

The Board believes that at present its composition suitably reflects the needs of the Group and the size of the Company but will keep under review the need for any changes.

Functioning of the Board

The Directors receive management information, including financial, subsidiary and strategic reports, in advance of the Board meetings. During the year the Board held eleven regular meetings. Attendance by Directors at meetings is outlined in the table opposite. The two Non-Executive Directors based in America attend by audio or video-conference and, on occasion, when Directors are not able to attend Board or Committee meetings, their comments on the papers to be considered at that meeting are relayed in advance to the relevant Chairman. The Board has adopted a formal schedule of matters specifically reserved to it for decision. These matters reserved for the Board include:

- approval and management of Group Corporate strategy;
- review of Group Policies and Codes of Conduct;
- approval of the annual operating and capital expenditure budgets and any material changes;
- review of performance, assessed against the Group's strategy, objectives, business plans and budgets;
- approval of interim and preliminary announcements and the annual report and accounts;
- approval of the dividend policy;
- approval of any significant changes in accounting policies or practices;
- extension of the Group's activities into new/other geographic areas;
- approval of any significant acquisitions or investments;
- any decision to divest any Group business; and
- delegation of the appropriate authorities and agreeing terms of reference for its various committees.

The Non-Executive Directors meet separately at least twice each year without the presence of the Executive Directors and also meet without the Chairman.

There is an approved procedure for Directors to take independent professional advice at the Group's expense, if necessary. In addition, all the Directors have access to the advice and services of the Company Secretary.

Board Committees

The Board has delegated certain authorities to committees each with formal terms of reference. The terms of reference for the Audit and Remuneration Committees are available on request

Report

and are also available on the Company's website www.savills.com. The members of each committee are indicated on pages 18 and 19. The principal committees of the Board are as follows:

Appointments Committee

The Committee consists of the three independent Non-Executive Directors and the Chairman. From 1 January 2004 to 31 October 2004 the Committee was chaired by Fields Wicker-Miurin and Peter Smith took over as Chairman on 1 November 2004. The Committee meets as required to nominate candidates for the approval of the Board to fill vacancies or new positions on the Board of Directors and to make recommendations to the Board on its composition and balance.

During the year, the Board conducted a thorough selection process for the appointment of the new Chairman and external consultants were appointed to assist in this process. The Board delegated responsibility for the process to the Appointments Committee who made their recommendation to the Board. All Board members were eventually involved in and decided upon Peter Smith's appointment.

Appointments as Executive Director are approved by the full Board taking account of nominations from the Appointments Committee as appropriate. New Directors receive appropriate briefing on their role and responsibilities and on Board procedures.

Board Performance and Evaluation

The Board undertakes periodic reviews of its performance, that of its Committees and that of its individual directors. Given that this year has seen the appointment of a new Chairman and a Senior Independent Director, it is anticipated that a full review and performance evaluation of each Committee and the Board will take place later in 2005 and that the Senior Independent Director will lead a formal evaluation of the new Chairman.

The Company's Articles of Association provide that Directors must submit themselves for re-election every three years, and that newly appointed Directors must submit themselves for re-election at the first Annual General Meeting after their appointment. In making recommendations to shareholders for the reappointment of any Director, the Appointment Committee considers that Director's performance and ongoing contribution to the success of the Company and makes its relevant recommendation to the Board.

Audit Committee

The Committee consists of the three independent Non-Executive Directors. The Committee is chaired by Fields Wicker-Miurin and meets at least three times a year to consider the scope and results of the annual audit and interim review, to receive and consider reports from both the Internal Auditor and Group's external auditors, to consider the adequacy of the Group's internal controls and risk management and to assess the auditor's performance. The Committee considers on an ongoing basis the independence of the external auditors and has established policies to consider the appropriateness or otherwise of appointing the external auditors to perform non-audit services. The Group Chief Executive and Finance Director may be invited to attend meetings of the Committee, but are not members. The Committee determines that its various members bring appropriate experience to the role. The Board is satisfied that at least one member has recent and relevant financial experience.

Remuneration Committee

The Committee consists of the three independent Non-Executive Directors and meets at least twice a year to determine Company policy on senior executive remuneration and to agree the detailed remuneration packages of the Executive Directors. The Remuneration Committee takes the advice of external consultants from time to time as appropriate. The Group Chief Executive is consulted on the remuneration packages of the other directors and senior executives and attends remuneration discussions by invitation, except when his own position is being discussed. Given the central part that remuneration plays in the success of the Company, the Chairman is also invited to attend meetings of the Committee.

Executive Sub-Committee

Savills plc has an Executive Sub-Committee (ESC), which comprises the Group Chief Executive and such other Executive Directors as the Board shall nominate from time to time. The current Committee members are indicated on pages 18 and 19. The Committee meets at least once between Board meetings and the Minutes of the ESC are circulated to all Board members in advance of full Board Meetings.

Attendance at Meetings

Directors' attendance at Board and Committee meetings convened in the year ended 31 December 2004 was as follows:

	Board	Audit Committee	Remuneration Committee	Appointment Committee
Number of meetings in year	11	4	4	2
	Attended	**Attended**	**Attended**	**Attended**
Non-Executive Directors				
Peter Smith (appointed 24 May 2004)	6**	-	-	-
Richard Jewson (resigned 31 October 2004)	9**	**	4	*
William Concannon	5	*	-	-
Tim Ingram	9	3	3	2
Fields Wicker-Miurin	11	4	4	2
Derek McClain	7	-	-	-
Charles McVeigh	9	4	3	2
Executive Directors				
Aubrey Adams+	11	-		
Jeremy Helsby+	8	-		
Simon Hope	11	-	-	-
Robert McKellar+	10	-	-	-
Rupert Sebag-Montefiore+	10	-	-	-

* Attended by invitation only

** Attended all meetings up to or from date of appointment

\+ Members of the ESC. The ESC met twelve times during the year

Insurance Cover

The Company purchases insurance to cover its directors and officers against their costs in defending themselves in civil legal proceedings taken against them in that capacity and in respect of damages resulting from the unsuccessful defence of any proceedings. The insurance does not provide cover where the director has acted fraudulently or dishonestly.

Directors' Remuneration

The Remuneration Report is set out on pages 30 to 36. The Remuneration Report will be put to shareholders at the Annual General Meeting (AGM) in 2005.

Relations with Shareholders

The Board maintains a good relationship and dialogue with shareholders and has a regular dialogue with analysts which ensures that the Board is aware of shareholder sentiment. Meetings are held with major institutional shareholders regularly and include presentations at the time of the Company's preliminary announcement of annual results and half year report. All shareholders are sent a copy of the full Annual Report and Accounts and the Interim Statement. Information about the Company is also available on the website at: www.savills.com.

The Directors welcome and encourage the participation of private shareholders at the AGM. In accordance with the Code, the Chairman declared the level and manner of voting of proxies lodged on each resolution at the AGM held during the year. The Chairmen of the Board's principal committees were present at the 2004 AGM to answer shareholders' questions as required. The Directors aim to give as much notice of the AGM as possible which will be at least 21 days, as required by the Company's Articles of Association. In practice, this Report and Notice of AGM are being sent to shareholders more than 20 working days before the AGM as required under the Code. The Notice of Annual General Meeting of Shareholders and explanatory notes is sent to shareholders with this report.

In addition to the above, in 2004 the Board formally reconsidered the need to nominate a senior independent non-executive director. Timothy Ingram was appointed as the Senior Independent Director on 1 November 2004 and his prime responsibility is to provide an additional contact point for shareholders if they have reason for concern which contact through the normal channels of Chairman, Chief Executive or Group Finance Director has failed to resolve or for which contact is inappropriate.

Internal Control and Risk Management

The Group has adopted a formal system of internal controls which accords with the guidance provided in the Turnbull Report to safeguard the shareholders' investment and the Company's assets. The Board is responsible for the Group's system of internal control and risk management and for reviewing the effectiveness of the system. The system is designed to provide reasonable assurance with regard to the safeguarding of assets against unauthorised use or disposition and the maintenance of financial information used within the business or for publication. However, such a system can only provide reasonable assurance against material misstatement or loss.

The Executive Sub-Committee (ESC) conducts an annual review of the effectiveness of the system of internal control covering financial, operational and compliance controls and risk management. Detailed self assessment questionnaires are completed by the senior management in each part of the business and the results collated and considered by the ESC and the Internal Auditor. The results are then presented to both the Audit Committee and the full Board for their consideration and comment. Having conducted its annual review the Board considers that throughout the year the Group has operated a management system that includes regular evaluation of the nature and extent of the risks to which the Group is exposed and the implementation of controls to manage its exposures. The system is supported by a formal programme of reporting and review throughout the Group.

At the beginning of the year the Audit Committee again reviewed the need for an internal audit function and formally appointed an Internal Auditor who joined Savills on 19 July 2004. The Internal Auditor attends all Audit Committees to consider and report on the key risks facing the business and to consider on an ongoing basis the Group Audit Plan.

Key elements of the Group's system of internal control are:

- The Audit Committee and the Board have identified the key risks facing the Group and the likely impact of these risks and monitors these closely.
- The ESC has been delegated responsibility for regularly assessing and reviewing risks and controls and for undertaking the specific annual assessment of the system's effectiveness for consideration by the Board. The ESC meets before each Board meeting and consists of the Group Chief Executive, the Group Finance Director, and the Chairmen of Savills Commercial Limited and Savills (L&P) Limited.
- Selected Executive Directors also sit on the operating subsidiary and associate boards including those of the overseas operations. These boards and their associated committees also meet regularly and have formal reporting structures. Directors of operating companies are closely involved in the day to day business of their respective operations, thus facilitating the prompt identification of business risks and appropriate action.
- Monitoring systems are in place to control both financial and operational risks, where appropriate.
- The Board and the boards of the main operating subsidiaries regularly monitor changes in the business environment and competition facing the main areas of the business.
- There is a comprehensive system for planning and reporting the performance of each business unit.
- The Board meets regularly and reviews the Group's overall results against plan and the previous year; forecasts are regularly updated. Clear responsibilities are given to operational and financial managers for the maintenance of effective financial controls and the production of accurate and timely financial management information. The effectiveness of these controls and the need for any adjustments are considered by the Internal Audit function.
- There is a formal policy and procedure available to all employees who are concerned about possible impropriety, financial or otherwise and who may wish to ensure that action is taken without fear of victimisation or reprisal.

Going Concern

After making enquiries, the Directors have reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the Accounts.

St Enoch Centre, Edinburgh
Sold on behalf of Deka
£272.5 million

Ayot Mountfitchet
The most expensive house ever to be sold in rural Hertfordshire,
Price guide in excess of £5.5 million

Remuneration Report

Remuneration Policy

The Remuneration Committee, the role and composition of which are detailed on pages 18, 19 and 25, determines the emoluments of the Executive Directors. The fees of the Non-Executive Directors are determined by the full Board within the limits set in the Company's Articles of Association. The Non-Executive Directors do not receive any share options, bonuses or any other performance related payments nor do they receive any pension entitlement.

It is essential for the Group to provide remuneration packages which attract, retain and motivate Directors and staff of the highest quality and benefit packages awarded to Directors are structured to provide a competitive mix of performance and non-performance related remuneration.

All the Executive Directors, except the Group Chief Executive, Aubrey Adams, and the Finance Director, Robert McKellar, are employed by one of the operating subsidiaries. The directors of each subsidiary set the basic salaries and bonus payments of all their staff, having regard to the subsidiary's performance and the remuneration packages paid by its competitors. On this basis, they make recommendations to the Savills plc Remuneration Committee with regard to those of their staff who are Executive Directors. The Board approves the remuneration packages for each of the Executive Directors after receiving and considering the recommendation from the Remuneration Committee. The Board accepted the recommendations of the Remuneration Committee on Executive Directors' remuneration for the financial year ended 31 December 2004.

Senior executives and Executive Directors may participate in the Savills Deferred Share Bonus Plan, The Savills Executive Share Option Scheme (2001), the Savills Share Incentive Plan and the Savills Sharesave Scheme, details of each of which are given on page 33. Senior executives and Executive Directors were also eligible for participation in the Savills plc 1992 Executive Share Option Scheme (the ESOP), which is now expired for the purposes of new grants. All outstanding options under the scheme have now either been exercised or lapsed and there are no outstanding options under the scheme at the date of this report. Details of remuneration packages and any awards made to Executive Directors under each of these schemes are given on pages 34 to 36.

The Remuneration Committee keeps under review the remuneration of Executive Directors and other senior executives with the aims of effectively supporting a performance culture and continuing to motivate, attract and retain executives of the appropriate calibre within a framework that is cost-effective and justifiable to shareholders. The Remuneration Committee is satisfied with the Board's current approach.

Over the last five years, the Company has outperformed the FTSE Small Cap Index to give a Total Shareholder Return of 174.1% compared with a return of 1.2% provided by the FTSE Small Cap Index.

Below is a graph showing Total Shareholder Return for Savills plc against the FTSE Small Cap Index over five years:

Total Shareholder Return (Rebased) - 5 years to 31 December 2004

The Directors believe that the FTSE Small Cap Index is the most appropriate index against which to compare total shareholder return as it is an index of companies of similar size to Savills plc, but will keep this under review.

Salary and Annual Bonus

Savills' business philosophy is founded on the premise that employees should be motivated through highly incentive-based (and therefore variable) remuneration packages and, as part of this policy, basic salaries are strictly controlled and at senior levels are significantly lower than market comparables. Salaries are reviewed annually (although not necessarily increased). In general, each operating subsidiary has a discretionary bonus scheme where the annual bonus pool available for distribution is directly related to the profit of that subsidiary after charging all costs (but pre-bonus) including central overheads and finance charges. In the main, bonus pool amounts are generated through a formula by which during the year in the UK the amounts available for distribution within these bonus pools were calculated in bands between 30% of the pre-tax and pre-bonus profits through to 65% for excellent performance based on the achievement of pre-determined thresholds. These bands are reviewed regularly. Awards to individuals are assessed by reference to fee earning achievements, profitability of the individual's area of responsibility, contribution to business development and managerial responsibilities.

A portion of the individual's bonus is deferred for a period of 3 years and awarded in shares under the Deferred Share Bonus Plan, details of which can be found on page 33 of these report and accounts.

The Group Chief Executive's and the Finance Director's salaries and bonuses are determined by the Remuneration Committee, having regard to the Group's performance, their own contribution, and the remuneration packages of the other Executive Directors.

The remuneration package for each of the Directors is shown below and on page 32. The bonus entitlements shown are subject to the above performance criteria.

Benefits

Executive Directors and senior staff are provided with a company car (or salary allowance) and they and their immediate families are members of the Savills Group's medical or hospital insurance schemes.

Pension

The Inland Revenue approved Pension and Life Assurance Plan of Savills (the Plan) provides life assurance benefits to all relevant staff including the UK based Executive Directors. Three Executive Directors participated in the Plan for pension benefits during the year. The Plan is a contributory defined benefit scheme which provides a pension based on final basic salary and length of service. Following the review of the provision of the pension benefits in 2003, in addition to the Company's contribution, members contributed 5% of salary from 1 January to 31 March 2004 and 7% of salary from 1 April 2004 - 31 December 2004. Only basic salary is pensionable. The normal retirement age is 60. The Plan is closed to new entrants for pension benefits, but continues to operate for existing members.

In addition to the Plan, the Company also operated a defined contribution individual pension plan for one Executive Director during the year.

Analysis of Directors' remuneration (audited)

	Salary/fees		Bonus				Benefits		Total excl. pension	
	Year to 31 December 2004	Year to 31 December 2003	Year to 31 December 2004 Cash	Year to 31 December 2004 Deferred**	Year to 31 December 2003 Cash	Year to 31 December 2003 Deferred**	Year to 31 December 2004	Year to 31 December 2003	Year to 31 December 2004	Year to 31 December 2003
Executive Directors	£	£	£	£	£	£	£	£	£	£
Aubrey Adams*	119,000	119,000	150,000	-	450,000	-	1,116	939	270,116	569,939
Jeremy Helsby*	101,000	101,000	490,000	36,250	175,000	37,000	1,116	939	628,366	313,939
Simon Hope	91,000	85,000	1,372,495	365,000	817,000	82,750	7,676	9,029	1,836,171	993,779
Robert McKellar*+	94,000	94,000	500,000	50,000	275,000	25,000	471	402	644,471	394,402
Rupert Sebag-Montefiore*	101,000	100,929	170,000	-	-	37,000	1,116	939	272,116	138,868

* The Company has made contributions to defined contribution pension plans in respect of the above Directors, as detailed on page 32

** For details of the Deferred Share Bonus Plan please refer to page 32

\+ Of Robert McKellar's £500,000 cash bonus, £250,000 (HK$3,625,000) is payable on 30 September 2005, on condition that he remains employed in Asia at that date

Aubrey Adams, Jeremy Helsby and Rupert Sebag-Montefiore waived their entitlement to £50,000, £10,000 and £10,000 bonus payments respectively in favour of contributions to registered charities by their employing companies.

Remuneration Report *continued*

Analysis of Directors' remuneration (continued) (audited)

	Salary/fees		Bonus		Benefits		Total excl. pension	
	Year to 31 December 2004	Year to 31 December 2003	**Year to 31 December 2004**	Year to 31 December 2003	**Year to 31 December 2004**	Year to 31 December 2003	**Year to 31 December 2004**	Year to 31 December 2003
Non-Executive Directors	**£**	£	**£**	£	**£**	£	**£**	£
William Concannon	**22,500**	22,500	**-**	-	**-**	-	**22,500**	22,500
Timothy Ingram	**27,500**	26,296	**-**		**-**	-	**27,500**	26,296
Richard Jewson (resigned 31 October 2004)*	**63,266**	80,000	**-**	-	**-**	-	**63,266**	80,000
Derek McClain	**22,500**	22,500	**-**	-	**-**	-	**22,500**	22,500
Charles McVeigh	**30,416**	27,083	**-**	-	**-**	-	**30,416**	27,083
Fields Wicker-Miurin	**28,333**	26,042	**-**	-	**-**	-	**28,333**	26,042
Peter Smith (appointed 24 May 2004)	**29,583**	-	**-**	-	**-**	-	**29,583**	

* At his request £16,317 was paid into an Executive Personal Pensions Plan (EPP) in lieu of salary

Analysis of Directors' pension entitlement - defined contribution schemes (audited)

The Company made contributions to the following Directors' defined contribution pension plans

	Group contribution during year to 31 December 2004	Group contribution during year to 31 December 2003
Executive Directors	**£**	£
Aubrey Adams	**650,000**	200,000
Jeremy Helsby	**500,000**	472,500
Simon Hope	**676,005**	120,000
Robert McKellar	**3,825**	80,100
Rupert Sebag-Montefiore	**453,000**	552,000

Analysis of Directors' pension entitlements - defined benefit scheme (audited)

	Increase in accrued pension during the year in excess of inflation 1		Transfer value of the increase less Director's contributions 1		Accumulated total accrued pension at the end of the year 2		Total increase in accrued pension during the year 2		Transfer value of total pension at start and end of the year 3		(Decrease)/Increase in transfer value over the year, less Director's contributions 4	
	Year to 31 December 2004	Year to 31 December 2003	**Year to 31 December 2004**	Year to 31 December 2003	**Year to 31 December 2004**	Year to 31 December 2003	**Year to 31 December 2004**	Year to 31 December 2003	**Year to 31 December 2004**	Year to 31 December 2003	**Year to 31 December 2004**	Year to 31 December 2003
Executive Directors	**£**	£	**£**	£	**£**	£	**£**	£	**£**	£	**£**	£
Jeremy Helsby	**621**	1,005	**(254)**	4,074	**34,117**	32,583	**1,533**	1,533	**392,071**	360,998	**25,093**	125,522
Simon Hope	**2,323**	1,194	**8,059**	2,458	**17,250**	14,521	**2,729**	1,417	**143,967**	118,600	**19,475**	45,518
Rupert Sebag-Montefiore	**600**	992	**56**	4,672	**34,883**	33,350	**1,533**	1,533	**418,189**	381,270	**30,939**	128,569

Notes

1. The table shows the increase in accrued pension during the year, excluding any increase for inflation. The transfer value of this increase in pension is also shown, less the contributions made by the Director during the year.
2. The accumulated accrued pension entitlement shown is that which would be paid annually on retirement based on service to the year-end. The actual increase in pension over the year is also shown (with no allowance for the increase in inflation).
3. The transfer value of the total pension accrued at the year-end, determined at the year-end is set out along with the comparative amounts at the end of the previous year.
4. The increase/(decrease) in the amount of this transfer value, less the contributions made by the Director during the period, has also been determined.
5. The transfer value represents the amount payable by the pension plan should the Director transfer his pension rights to another provider. All transfer values quoted are calculated on the basis of actuarial advice in accordance with Actuarial Guidance Note 11 ("GN11").

Directors' Deferred Share Bonuses and Option Schemes

The Savills Deferred Share Bonus Plan (the DSBP)

The Company operates a non-pensionable annual bonus scheme for Directors and senior executives a part of which, at the discretion of the Remuneration Committee, may be awarded in the form of deferred conditional rights to ordinary shares in the Company under the DSBP. Annual bonuses are subject to the attainment of challenging performance targets which are specific to each individual and either relate to Group thresholds, subsidiary company targets or a combination of both for a period not exceeding the relevant financial year of the Company. Awards of conditional shares under the DSBP will normally vest on the fifth anniversary of the award date but rights are subject to forfeiture if the executive leaves the service of the Group within the five year period. The shares to satisfy awards under the DSBP are acquired via the existing Savills plc 1992 Employee Benefit Trust (the EBT) by purchase in the market but Directors and senior executives do not obtain a beneficial interest in any shares prior to vesting. Neither the DSBP nor the EBT contain powers to subscribe new equity. The first awards under the DSBP were made in March 2002.

Directors' Share Options

Options currently subsist under three share option schemes. Executive share schemes are subject to performance conditions where they have been adopted since guidelines highlighted the advantages of such conditions in aligning Directors' interests with those of shareholders. Details of all Group Share Option Schemes are shown below.

Savills plc United Kingdom Executive Share Option Scheme (the Executive Share Option Scheme)

This Inland Revenue approved Scheme expired in 1997. No further grants are permitted and no outstanding options remain at the date of this report. Under this scheme participants were normally entitled to exercise the options between three and ten years after the date of grant. During the year 17,500 shares were exercised under this scheme by participants. None of the Executive Directors had options under this Scheme during the year.

Savills plc 1992 Executive Share Option Scheme (the ESOP)

The ESOP expired on 23 May 2001 and no further grants will be made under this scheme but existing rights remain fully protected. Under the ESOP, senior executives were granted options to purchase shares, exercisable in normal circumstances between five and seven years after grant. The ESOP is operated in conjunction with the EBT. Grants were made by the Trustee of the EBT on the recommendation of the Board on a phased basis, having regard to individuals' performances and anticipated contributions to the Group. Recommendations in respect of grants to Executive Directors were made by the Remuneration Committee.

The Savills Executive Share Option Scheme (2001 Scheme)

The 2001 Scheme combines an Inland Revenue approved scheme with an unapproved schedule and was authorised by shareholders and adopted on 30 April 2001. The first grant of options under the 2001 Scheme was made on 26 September 2001. Participants are, in normal circumstances, entitled to exercise options between three and ten years after the date of grant at a subscription price equal to the market value at the time of grant. Grants are made on a phased basis and the exercise of options is subject to the achievement of a performance target whereby the Company's earnings per share must increase over a consecutive period of three financial years by an average of at least 3% above the Retail Price Index (RPI) per annum. Recommendations in respect of grants to Executive Directors are made by the Remuneration Committee. Options that were granted during 2004 are subject to a performance period of three consecutive financial years with the opportunity to extend the period once only to four years if not met after the initial three year period. Having regard to the requirements laid down by institutional investors in relation to performance conditions, the Remuneration Committee agreed that any grant of options that take place from 2005 would be subject to one fixed performance period of three consecutive financial years.

The Savills Sharesave Scheme (the Sharesave Scheme)

Executive Directors are eligible to participate in the Sharesave Scheme, which is an Inland Revenue approved scheme open to all employees of nominated participating companies who have a minimum of three months' service at the date of invitation. The Sharesave Scheme was adopted by shareholders in 1998. The Sharesave Scheme is linked to a monthly savings contract over three, five or seven years and options are granted at a maximum 20% discount to market price. At the AGM held on 30 April 2001 it was resolved that, going forward, savings contracts of only three and five years would be made available. There was no grant under this scheme in 2004.

The Savills Share Incentive Plan (SIP)

At the Annual General meeting on 7 May 2003, shareholders approved the introduction of the SIP. This is a share purchase plan available to all employees including the Executive Directors. The scheme is aimed at encouraging employee share ownership and an interest in the Company's performance together with the retention of staff. Employees invest in Savills plc shares by making contributions from their gross salary subject to a current statutory limit of £125 per month. If the shares are held in the Plan for five years no income tax or NIC is payable. The scheme was launched in May 2004. There are other elements of the SIP authorised by shareholders but it is not the present intention to offer these elements.

Savills plc 1992 Executive Share Option Scheme (ESOP) (audited)

Directors	Number of shares			Exercise price per share	Market value at date of exercise	Date from which exercisable	Expiry date
	At 31.12.03	Exercised during year	At 31.12.04				
Jeremy Helsby	30,000	30,000	-	Nil	402p	20.07.04	20.07.06
	40,000	-	40,000	Nil		20.07.05	20.07.07
	50,000	-	50,000	Nil		06.04.06	06.04.08
Simon Hope	10,000	10,000	-	Nil	439.5p	10.07.03	10.07.05
	30,000	30,000	-	Nil	403.5p	20.07.04	20.07.06
	40,000	-	40,000	Nil		20.07.05	20.07.07
	40,000		40,000	Nil		06.04.06	06.04.08
Robert McKellar	25,000	25,000	-	Nil	425p	20.07.04	20.07.06
	30,000	-	30,000	Nil		20.07.05	20.07.07
	30,000	-	30,000	Nil		06.04.06	06.04.08
Rupert Sebag-Montefiore	15,000	15,000	-	Nil	432.5p	20.07.04	20.07.06
	20,000	-	20,000	Nil		20.07.05	20.07.07
	30,000	-	30,000	Nil		06.04.06	06.04.08

The Savills Sharesave Scheme (audited)

Directors	Number of shares					Market price on date of exercise	Exercise price per share	Exercisable within 6 months from
	At 31.12.03	Granted during year	Exercised during year	Lapsed during year	At 31.12.04			
Simon Hope	4,054	-	-	-	4,054	-	111p	01.07.06
Rupert Sebag-Montefiore	8,214	-	8,214	-	-	328.5p	84p	01.12.03
	2,464	-	-	-	2,464	-	111p	01.07.06

Remuneration Report *continued*

The Savills Executive Share Option Scheme (2001) (audited)

Directors	Number of shares				Exercise price per share	Date normally first exercisable	Expiry date
	At 31.12.03	Granted during year	Approved/ unapproved	At 31.12.04			
Aubrey Adams	20,761	-	Approved	20,761	144.5p	26.09.04	26.09.11
	59,239	-	Unapproved	59,239	144.5p	26.09.04	26.09.11
	80,000		Unapproved	80,000	194.5p	10.04.05	10.04.12
	80,000	-	Unapproved	80,000	139p	25.03.06	25.03.13
	-	27,000	Unapproved	27,000	435.5p	30.03.07	30.03.14
Jeremy Helsby	20,761	-	Approved	20,761	144.5p	26.09.04	26.09.11
	44,239	-	Unapproved	44,239	144.5p	26.09.04	26.09.11
	65,000	-	Unapproved	65,000	194.5p	10.04.05	10.04.12
	65,000	-	Unapproved	65,000	139p	25.03.06	25.03.13
	-	23,000	Unapproved	23,000	435.5p	30.03.07	30.03.14
Simon Hope	20,761		Approved	20,761	144.5p	26.09.04	26.09.11
	29,239	-	Unapproved	29,239	144.5p	26.09.04	26.09.11
	50,000	-	Unapproved	50,000	194.5p	10.04.05	10.04.12
	50,000	-	Unapproved	50,000	139p	25.03.06	25.03.13
	-	23,000	Unapproved	23,000	435.5p	30.03.07	30.03.14
Robert McKellar	20,761	-	Approved	20,761	144.5p	26.09.04	26.09.11
	4,239	-	Unapproved	4,239	144.5p	26.09.04	26.09.11
	25,000	-	Unapproved	25,000	194.5p	10.04.05	10.04.12
	25,000	-	Unapproved	25,000	139p	25.03.06	25.03.13
	-	21,500	Unapproved	21,500	435.5p	30.03.07	30.03.14
Rupert Sebag-Montefiore	20,761	-	Approved	20,761	144.5p	26.09.04	26.09.11
	44,239	-	Unapproved	44,239	144.5p	26.09.04	26.09.11
	65,000	-	Unapproved	65,000	194.5p	10.04.05	10.04.12
	65,000	-	Unapproved	65,000	139p	25.03.06	25.03.13
	-	23,000	Unapproved	23,000	435.5p	30.03.07	30.03.14

The Savills Deferred Share Bonus Plan (DSBP) (audited)

Directors	Number of shares			Closing mid-market price of a Savills plc share the day before grant	Vesting date
	At 31.12.03	Awarded during year	At 31.12.04		
Jeremy Helsby	39,733	-	39,733	187.5p	22.03.07
	22,727	-	22,727	137.5p	14.03.08
	-	8,675	8,675	426.5p	15.03.09
Simon Hope	24,800	-	24,800	187.5p	22.03.07
	13,636	-	13,636	137.5p	14.03.08
	-	19,402	19,402	426.5p	15.03.09
Robert McKellar	24,800	-	24,800	187.5p	22.03.07
	18,181	-	18,181	137.5p	14.03.08
	-	5,861	5,861	426.5p	15.03.09
Rupert Sebag-Montefiore	39,733	-	39,733	187.5p	22.03.07
	22,727	-	22,727	137.5p	14.03.08
	-	8,675	8,675	426.5p	15.03.09

The ESOP expired on 23 May 2001 and so no further grants were made under this scheme during the year. No Directors' share options under the Executive Share Option Scheme (2001) were exercised and no awards under the DSBP vested during the year. No Directors' share options/awards under the ESOP, the Executive Share Option Scheme (2001) or DSBP lapsed. The mid market price of the shares at 31 December 2004 was 521p and the range during the year was 322.5p to 521p. At 31 December 2004 all Executive Directors were deemed to have an interest (for the purpose of the Companies Act 1985) in 5,240,601 shares held by the trustee of the EBT and in 9,496 shares held by the Qualifying Employee Share Trust (QUEST). For details of the EBT and QUEST, please refer to Note 1 of the Accounts.

External Directorships

The Executive Directors are allowed to accept external non-executive directorships, subject to approval by the Chairman and any conditions he might impose. For non-executive directorships which are considered to arise by virtue of an Executive Director's position within Savills, the fees are paid directly to Savills.

Directors' Service Contracts

The Executive Directors are appointed for an initial period of three years, after which their appointment may be renewed. Each has a service contract with a notice period of one year or less. The Remuneration Committee accepts and endorses the principle of mitigation of damages on early termination of contracts.

The details of the service contracts of those who served as Directors during the year are:

	Date appointed to Board	End date of current letter of appointment	Notice period
Aubrey Adams	12 February 1990	31 December 2009	12 months
William Concannon	30 June 2000	See below *	N/A
Jeremy Helsby	1 May 1999	30 April 2005	6 months
Simon Hope	1 May 1999	30 April 2005	6 months
Timothy Ingram	27 June 2002	26 June 2005	Terminable at will
Richard Jewson	1 May 1994	Director resigned on 31 October 2004	6 months
Derek McClain	28 August 2002	See below *	6 months
Robert McKellar	1 June 2000	31 May 2006	6 months
Charles McVeigh	1 August 2000	31 July 2006	6 months
Rupert Sebag-Montefiore	26 October 2004	26 October 2007	6 months
Peter Smith	24 May 2004	23 May 2007	6 months
Fields Wicker-Miurin	27 June 2002	26 June 2005	Terminable at will

* Appointed by Trammell Crow Company pursuant to the strategic alliance which provides for Board representation for Trammell Crow Company linked to its strategic alliance and shareholding in the Company.

The Company has no financial obligation to Directors in the event of early termination of an Executive Director's contract other than payment in lieu of notice.

Registered Office:
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W1K 3HQ

By order of the Remuneration Committee

R T Middleton Carr
Company Secretary
2 March 2005

Directors' Responsibilities

The following statement, which should be read in conjunction with the Auditors' Report regarding the respective responsibilities of Directors and Auditors set out on page 40, is made with a view to distinguishing for shareholders those respective responsibilities in relation to the Accounts.

Company law requires the Directors to prepare Accounts for each financial year which give a true and fair view of the state of affairs of the Company and Group and of the profit or loss of the Group for that year. The Directors consider in preparing the Accounts they have:

- selected appropriate accounting policies and then applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- stated whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Accounts; and
- prepared the Accounts on the going concern basis as it is appropriate to presume that the Group will continue in business.

The Directors are responsible for ensuring that the Company keeps accounting records which disclose with reasonable accuracy at any time the financial position of the Company and the Group and enable them to ensure that the Accounts comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The financial statements for the year ended 31 December 2004 are included in the Annual Report 2004, which is published by the Company in hard-copy printed form and on the Company's website on the Internet. The Directors are responsible for the maintenance and integrity of the Annual Report on the website in accordance with UK legislation governing the preparation and dissemination of financial statements. Access to the website is available from outside the UK, where comparable legislation may differ.

Moundsmere Manor
A substantial country house in Hampshire,
Guide price in excess of £6 million

Report of the Auditors to the Members of Savills plc

Independent auditors' report to the members of Savills plc

We have audited the financial statements which comprise the profit and loss account, the balance sheets, the cash flow statement, the statement of total recognised gains and losses, the reconciliation of movement in shareholders' funds and the related notes which have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) and the accounting policies set out in the Notes to the Accounts. We have also audited the disclosures required by Part 3 of Schedule 7A to the Companies Act 1985 contained in the Remuneration Report ("the auditable part").

Respective responsibilities of Directors and Auditors

The Directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of responsibilities. The Directors are also responsible for preparing the Remuneration Report.

Our responsibility is to audit the financial statements and the auditable part of the Remuneration Report in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and whether the financial statements and the auditable part of the Remuneration Report have been properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Report is not consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and transactions is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the Directors' Report, the unaudited part of the Remuneration Report, the Chairman's Statement, the Group Chief Executive's Review of Operations, the Financial Review and the Corporate Governance Report.

We review whether the Corporate Governance Report reflects the Company's compliance with the nine provisions of the 2003 FRC Combined Code specified for our review by the Listing Rules of the Financial Services Authority, and we report if it does not. We are not required to consider whether the Board's statements on internal control cover all risks and controls, or to form an opinion on the effectiveness of the Company's or Group's corporate governance procedures or its risk and control procedures.

Basis of audit 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 and the auditable part of the Remuneration Report. It also includes an assessment of the significant estimates and judgments 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 and the auditable part of the Remuneration Report 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 affairs of the Company and the Group at 31 December 2004 and of the profit and cash flows of the Group for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- those parts of the Remuneration Report required by Part 3 of Schedule 7A to the Companies Act 1985 have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
1 Embankment Place
London
WC2N 6RH

2 March 2005

Consolidated Profit & Loss Account

year ended 31 December 2004

	Notes	Year to 31 December 2004 £'000	Restated (See Note 1) Year to 31 December 2003 £'000
Turnover - Group & share of joint ventures			
Other continuing operations		316,259	274,015
Sale of trading properties		11,356	28,987
Acquisitions		2,124	-
Turnover, including share of joint ventures		329,739	303,002
Less: share of turnover of joint ventures		(1,764)	(1,310)
Total Group turnover	2 & 3	327,975	301,692
Operating profit			
Other continuing operations		37,127	30,568
Sale of trading properties		2,179	4,714
Acquisitions		(355)	-
Group operating profit	2 & 3	38,951	35,282
Share of operating profit of joint ventures		55	30
Share of operating profit/(loss) of associated undertakings	4	274	(1,559)
Operating profit including share of joint ventures & associated undertakings		39,280	33,753
Profit on disposal of interests in subsidiary undertakings	14(f)	763	-
Profit on disposal of interest in associated undertakings		154	-
Profit on disposal of investment property	3	8,094	-
Profit on disposal of investments		-	521
Profit on ordinary activities before interest	2 & 3	48,291	34,274
Net interest	8		
Group		1,870	(208)
Joint ventures		4	(2)
Associated undertakings		28	(7)
Total net interest		1,902	(217)
Profit on ordinary activities before taxation		50,193	34,057
Taxation on profit on ordinary activities	9	(15,168)	(12,409)
Profit on ordinary activities after taxation		35,025	21,648
Equity minority interests		(250)	(838)
Profit for the financial year		34,775	20,810
Dividends paid & proposed	10	(21,359)	(7,584)
Profit for the financial year transferred to reserves	21	13,416	13,226
Basic earnings per share	11(a)	62.2p	37.0p
Adjusted basic earnings per share excluding sale of trading & investment properties, impairments and amortisation of goodwill	11(b)	55.7p	37.7p
Diluted earnings per share	11(a)	56.5p	34.1p

The Notes on pages 45 to 70 form part of the Accounts.

There is no difference between the results disclosed in the consolidated profit & loss account and the results on a historical cost basis.

All results represent continuing activities.

Balance Sheets

at 31 December 2004

	Notes	Group 31 December 2004 £'000	Group Restated (See Note 1) 31 December 2003 £'000	Company 31 December 2004 £'000	Company Restated (See Note 1) 31 December 2003 £'000
Fixed assets					
Intangible assets	12	44,449	36,021	-	-
Tangible assets	13	12,732	26,762	1,494	1,587
Investments					
Investments in joint ventures					
Share of gross assets		1,472	901	-	-
Share of gross liabilities		(730)	(361)	-	-
	14a	742	540	-	-
Investments in associated undertakings	14a	2,082	280	-	-
Other investments	14b	3,834	1,427	64,114	71,838
Total investments		6,658	2,247	64,114	71,838
Total fixed assets		63,839	65,030	65,608	73,425
Current assets					
Property held for sale		-	8,081	-	-
Work in progress		2,666	2,801	-	-
Debtors					
Prepaid pension contributions	15b	13,763	-	856	-
Other debtors	15a	91,473	82,074	9,632	7,027
		105,236	82,074	10,488	7,027
Cash at bank & short-term deposits		90,056	71,871	47,178	35,010
		197,958	164,827	57,666	42,037
Creditors - amounts falling due within one year	16	(144,184)	(103,753)	(63,208)	(47,645)
Net current assets/(liabilities)		53,774	61,074	(5,542)	(5,608)
Total assets less current liabilities		117,613	126,104	60,066	67,817
Creditors - amounts falling due after more than one year	17	(3,384)	(19,521)	(2,500)	(2,500)
Provisions for liabilities & charges	19	(11,320)	(10,306)	(1,234)	(32)
Net assets		102,909	96,277	56,332	65,285
Capital & reserves					
Called up equity share capital	20	3,026	3,070	3,026	3,070
Share premium account	21	43,114	42,237	43,114	42,237
Merger reserve	21	-	-	3,009	3,009
Capital redemption reserve	21	177	107	177	107
Profit & loss account	21	56,434	50,301	7,006	16,862
Equity shareholders' funds		102,751	95,715	56,332	65,285
Equity minority interests		158	562	-	-
		102,909	96,277	56,332	65,285

Approved by the Board of Directors on 2 March 2005 and signed on its behalf by

A. J. ADAMS

R. A. J. McKELLAR

The Notes on pages 45 to 70 form part of the Accounts.

Consolidated Cash Flow Statement

year ended 31 December 2004

	Notes	Year to 31 December 2004 £'000	Year to 31 December 2004 £'000	Restated (See Note 1) Year to 31 December 2003 £'000	Restated (See Note 1) Year to 31 December 2003 £'000
Net cash inflow from operating activities	26		56,281		60,563
Dividends received from joint ventures & associated undertakings			231		349
Returns on investments & servicing of finance					
Interest received		2,630		1,527	
Interest paid		(583)		(1,734)	
Interest element of finance leases		(1)		(1)	
Minority interest dividends paid		(465)		(1,258)	
Net cash inflow/(outflow) from returns on investments & servicing of finance			1,581		(1,466)
Taxation					
Corporation tax paid			(14,834)		(11,086)
Capital expenditure & financial investment					
Purchase of tangible fixed assets	13	(6,927)		(19,624)	
Purchase of fixed asset investments		(2,410)		-	
Repayment of loans		-		2	
Sale of tangible fixed assets		99		268	
Sale of investment property		15,309		8,881	
Sale of fixed asset investments		-		521	
Loans to joint ventures & associated undertakings		(354)		(77)	
Repayments of loans by joint ventures & associated undertakings		391		143	
Net cash inflow/(outflow) for capital expenditure & financial investment			6,108		(9,886)
Acquisitions & disposals					
Purchase of subsidiary undertakings	14(e)	(10,637)		(7,901)	
Net cash acquired with subsidiary undertakings	14(e)	219		306	
Purchase of interests in joint ventures & associated undertakings	14(a)	(272)		(9)	
Additional investment in associate		(33)		-	
Net cash of subsidiary undertaking disposed	14(f)	(1,259)		-	
Sale of interest in joint ventures & associated undertakings	14(f)	319		-	
Sale of subsidiary undertakings	14(f)	5,925		-	
Net cash outflow from acquisitions & disposals			(5,738)		(7,604)
Equity dividends paid			(9,001)		(5,840)
Cash inflow before use of liquid resources & financing			34,628		25,030
Management of liquid resources					
Decrease/(increase) in liquid funds on one month deposit	28	7,761		(7,195)	
Increase in short-term deposits	28	(4,029)		(2,230)	
Net cash inflow/(outflow) from management of liquid resources			3,732		(9,425)
Financing					
Issue of shares	20 & 21	903		743	
Buy back of own shares	21	(5,751)		(4,256)	
Purchase of own shares for Employee Benefit Trust (EBT)	21	(4,238)		(831)	
Decrease in borrowings	28	(5,993)		(787)	
Capital element of finance leases repaid	28	-		(26)	
Net cash outflow from financing			(15,079)		(5,157)
Increase in cash	28		23,281		10,448

The Notes on pages 45 to 70 form part of the Accounts.

Statement of Total Recognised Gains & Losses

year ended 31 December 2004

	Year to 31 December 2004 £'000	Restated (See Note 1) Year to 31 December 2003 £'000
Profit for the financial year		
Group	34,515	22,531
Joint ventures	(1)	6
Associated undertakings	261	(1,727)
	34,775	20,810
Currency translation differences on foreign currency net investments	(1,420)	(2,304)
Total recognised gains & losses for the year	33,355	18,506
Prior year adjustment - UITF 17 'Employee Share Schemes' as revised by UITF 38 'Accounting for ESOP trusts' (see note 1)	(1,207)	-
Total recognised gains & losses since last Annual Report	32,148	18,506

Reconciliation of Movements in Shareholders' Funds

year ended 31 December 2004

	Year to 31 December 2004 £'000	Restated (See Note 1) Year to 31 December 2003 £'000
Profit for the financial year	34,775	20,810
Dividends	(21,359)	(7,584)
Retained profit for the year	13,416	13,226
Issue of share capital	903	743
Purchase of own shares	(5,751)	(4,256)
Purchase own shares for EBT	(4,238)	(831)
Share based compensation credit	4,126	2,158
Currency translation differences	(1,420)	(2,304)
Net increase in shareholders' funds	7,036	8,736
Shareholders' funds at beginning of year (At December 2003 originally £97,121,000 before deducting prior year adjustment of £1,406,000 - see note 1)	95,715	86,979
Shareholders' funds at end of year	102,751	95,715

The Notes on pages 45 to 70 form part of the Accounts.

Notes to the Accounts

year ended 31 December 2004

1. Principal accounting policies

Basis of accounting

The Accounts on pages 45 to 70 have been prepared under the historical cost convention modified to include the revaluation of investment properties and in accordance with applicable United Kingdom accounting standards on a consistent basis with prior years except as noted below.

Prior year adjustments

In accordance with UITF 38, 'Accounting for ESOP trusts', investment in the Group's own shares which are held to provide shares to certain employees under a long term incentive plan through its Employee Benefit Trust (EBT) are shown as a deduction from shareholders' funds. Total shareholders' funds as at 31 December 2003 have been reduced by £1,406,000. This change of accounting policy has been reflected as a prior year adjustment and the corresponding amounts have been restated.

The restatement of the prior year figures reduced profit on ordinary activities after taxation by £1,207,000 for the year ended 31 December 2003, reflecting a charge based on the market value of shares at award date rather than cost as required by UITF 17 as revised by UITF 38. There was no impact on the profit and loss account for the year ended 31 December 2004 as the charge for Deferred Share Bonus Plan shares is deducted from the total bonus before determining cash payments.

The cash flow statement has been restated by £831,000 for the year to 31 December 2003 to show the relevant cash flows in financing rather than capital expenditure and financial investment.

Any reference in the notes on pages 46 to 70 to 31 December 2003 restated figures refers to the above prior year adjustment.

Consolidation

The consolidated Accounts include the Accounts of the Company and its subsidiary undertakings made up to 31 December 2004. Unless otherwise stated, the acquisition method of accounting has been adopted. Under this method, the results of Group undertakings acquired or disposed of during the year are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal, in each case being the date control passes. The Group's share of the profits less losses of joint ventures and associated undertakings is included in the consolidated profit and loss account and its interest in their net assets, including goodwill arising since 1 May 1998, is included in investments in the consolidated balance sheet. These amounts are taken from the most recent audited accounts of the undertakings concerned, or management accounts where recent audited accounts are unavailable.

On the balance sheet, investments in joint ventures are disclosed under the gross equity method. The assets and liabilities in respect of other joint arrangements have been consolidated within the individual categories of assets and liabilities of the Group.

Goodwill

Goodwill arising on the acquisition of subsidiary undertakings and businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight line basis over its useful economic life, which can be a maximum of 20 years but is reviewed for each individual acquisition. Provision is made for any impairment.

Negative goodwill arising on consolidation in respect of acquisitions subsequent to 1 May 1998 is included within fixed assets and released to the profit and loss account in the years in which the fair values of the non-monetary assets purchased on the same acquisition are recovered, whether through depreciation or sale.

Goodwill arising on acquisitions in the year ended 30 April 1998 and earlier periods was written off to reserves in accordance with the accounting standard then in force. As permitted by the current accounting standard, the goodwill previously written off has not been reinstated in the balance sheet. On disposal or closure of a previously acquired business, the attributable amount of goodwill previously written off to reserves is included in determining the profit or loss on disposal.

Turnover

Turnover in respect of property consultancy represents commissions and fees receivable excluding VAT. In addition, sales of properties held by the Group as trading assets are included in turnover. On traditional agency work in progress, no value is attributed until contracts on the underlying transactions have been exchanged. On complex multi-unit developments, revenue is recognised on a staged basis, commencing when the underlying contracts are exchanged. No value is generally attributed to commercial agency work in progress until completion. However, if exchange of contracts on the underlying transaction is unconditional, income is recognised on a phased basis in accordance with the contractual terms.

Employee Benefit Trust

The Company has established The Savills plc 1992 Employee Benefit Trust (the EBT), the purposes of which are to grant awards to employees to acquire shares in the Company pursuant to the Savills plc 1992 Executive Share Option Scheme and the Deferred Share Bonus Plan and to hold shares in the Company for subsequent transfer to employees on exercise or vesting of the awards granted under the schemes. The market value at date of award of shares in the EBT which have been allocated to employees pursuant to awards made is written off to the profit and loss account in full on allocation. The assets and liabilities of the EBT are included in the balance sheets of the Group and the Company.

Qualifying Employee Share Trust

The Company has established a Qualifying Employee Share Trust (QUEST) which acquires shares of the Company. These are transferred to employees on the exercise of options granted under the Savills Sharesave Scheme.

Fixed assets

Fixed assets excluding investment properties are stated at historical cost less provision for depreciation and any permanent diminution in value.

Notes to the Accounts

year ended 31 December 2004

1 Principal accounting policies (continued)

Investment Properties

In accordance with SSAP 19 (revised), "Investment Properties", investment properties are revalued annually at open market values, determined in accordance with Guidance Notes on the valuation of assets issued by the Royal Institute of Chartered Surveyors. All surpluses and deficits arising on valuation are taken directly to the revaluation reserve except that any permanent diminution in the value of an investment property is taken to the profit and loss account for the year. No depreciation or amortisation is provided in respect of freehold investment properties and leasehold investment properties with over 20 years to run.

This treatment, as regards certain of the Group's investment properties, may be a departure from the requirements of the Companies Act concerning depreciation of fixed assets. However these properties are not held for consumption but for investment and the Directors consider that systematic annual depreciation would be inappropriate. The accounting policy adopted is therefore necessary for the accounts to give a true and fair view. Depreciation or amortisation is only one of the many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

Depreciation

Provision for depreciation is made at rates calculated to write off the cost, less estimated residual value, of tangible fixed assets from their commencement of service over their estimated useful lives as follows

	Years
Freehold property	50
Leasehold property (less than 50 years)	over unexpired term of lease
Furniture & office equipment	6
Motor vehicles	5
Computer equipment & software	between 3 & 5

Property held for sale

Properties held by the Group for its own account as trading properties are stated at the lower of cost and net realisable value.

Work in progress

Work in progress is stated at the lower of cost and net realisable value. Cost includes an appropriate proportion of overheads. Long-term work in progress is assessed on a contract by contract basis: turnover and related costs are included in the profit and loss account as contract activity progresses. Where the outcome of a long-term contract can be assessed with reasonable certainty attributable profit is recognised. Long-term contracts are stated at cost net of amounts transferred to cost of sales, foreseeable losses and applicable payments on account.

Deferred taxation

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in years different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered.

Deferred tax is not provided on timing differences arising from the revaluation of investment properties where there is no commitment to sell the asset. Deferred tax assets and liabilities are not discounted.

Accounting for leases

Assets financed by leasing agreements which give rights approximating to ownership (finance leases) are capitalised at amounts equal to the original cost and depreciation is provided on the basis of the Group depreciation policy. The capital elements of future obligations under finance leases are included as liabilities in the balance sheet and the current year's interest elements are charged to the profit and loss account. The annual payments under all other lease agreements, known as operating leases, are charged to the profit and loss account as incurred.

Pension costs

Pension costs are accounted for in accordance with SSAP 24 'Accounting for Pension Costs'. Retirement benefits for employees are provided by a defined benefit scheme which is funded by contributions from the Group and its employees. The Group contributions are determined by an independent qualified actuary, and are charged to the profit and loss account in order to spread the cost of pensions over the service lives of employees in the scheme. The Group also operates a defined contribution group personal pension plan for new entrants and a number of defined contribution individual pension plans. Contributions in respect of defined contribution pension schemes are charged to the profit and loss account when they are payable.

The notes to the financial statements contain additional information on retirement benefits as required by FRS 17 'Retirement Benefits'. Further disclosures will be made in future years in accordance with the provisions set out in the standard.

Foreign currency translation

Assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date. Gains and losses from foreign currency transactions are included in the profit and loss account.

The assets and liabilities of overseas subsidiary undertakings are translated at the closing exchange rates. Profit and loss accounts of such undertakings are consolidated at the average rates of exchange during the year. Gains and losses arising on these translations are taken to reserves net of exchange differences arising on related foreign currency borrowings.

Financial instruments

Page 14 of the Financial Review provides an explanation of the role that financial instruments have had during the year in affecting the risks the Group faces in its activities. The explanation summarises the objectives and policies for holding or issuing financial instruments and similar contracts and the strategies for achieving those objectives that have been followed during the year.

The numerical disclosures in Note 18 deal with the financial assets and financial liabilities as defined in FRS 13 'Derivatives and other financial instruments: disclosures'. Certain assets such as investments in subsidiary and associated companies are excluded from the scope of these disclosures.

As permitted by FRS 13, short-term debtors and creditors have been excluded from the disclosures, other than currency disclosures.

Savills Sharesave Scheme

No costs are recognised in respect of the Sharesave Scheme under the exemption permitted by UITF 17 'Employee Share Schemes'.

Notes to the Accounts

year ended 31 December 2004

2(a) Segmental analysis

Year to 31 December 2004	Transactional Advice £'000	Consultancy £'000	Property Management £'000	Facilities Management £'000	Property Trading & Investment £'000	Financial Services £'000	Holding Company £'000	Total £'000
Turnover: Group & share of joint ventures	148,079	59,475	64,008	23,048	1,597	20,052	-	316,259
Sale of trading properties	-	-	-	-	11,356	-	-	11,356
Acquisitions	935	691	498	-	-	-	-	2,124
Less: Share of turnover of joint ventures	-	-	(1,216)	(548)	-	-	-	(1,764)
Total Group turnover	149,014	60,166	63,290	22,500	12,953	20,052	-	327,975
Group operating profit/(loss)	24,229	9,782	3,477	1,732	1,992	3,907	(6,168)	38,951
Share of operating profit/(loss) of joint ventures	-	(177)	149	83	-	-	-	55
Share of operating profit/(loss) of associated undertakings	135	-	172	(33)	-	-	-	274
Profit on disposal of interests in subsidiary undertakings	763	-	-	-	-	-	-	763
Profit on disposal of interest in associated undertakings	-	-	154	-	-	-	-	154
Profit on disposal of investment property	-	-	-	-	8,094	-	-	8,094
Profit/(loss) on ordinary activities before interest	25,127	9,605	3,952	1,782	10,086	3,907	(6,168)	48,291
Net interest								1,902
Profit on ordinary activities before taxation								50,193
Net assets at 31 December 2004	30,760	13,001	16,547	2,751	11,216	4,846	23,788	102,909

Year to 31 December 2003 (Restated)	Transactional Advice £'000	Consultancy £'000	Property Management £'000	Facilities Management £'000	Property Trading & Investment £'000	Financial Services £'000	Holding Company £'000	Total £'000
Turnover: Group & share of joint ventures	119,377	49,133	58,729	28,017	3,298	15,461	-	274,015
Sale of trading properties	-	-	-	-	28,987	-	-	28,987
Less: share of turnover of joint ventures	-	-	(944)	(366)	-	-	-	(1,310)
Total Group turnover	119,377	49,133	57,785	27,651	32,285	15,461	-	301,692
Group operating profit/(loss)	18,047	7,555	3,538	1,889	5,109	3,386	(4,242)	35,282
Share of operating profit/(loss) of joint ventures	(80)	-	48	62	-	-	-	30
Share of operating profit/(loss) of associated undertakings	(54)	-	312	(1,540)	-	-	(277)	(1,559)
Profit on disposal of investments	40	-	-	-	-	481	-	521
Profit/(loss) on ordinary activities before interest	17,953	7,555	3,898	411	5,109	3,867	(4,519)	34,274
Net interest								(217)
Profit on ordinary activities before taxation								34,057
Net assets at 31 December 2003	27,582	10,578	16,128	1,552	5,093	6,085	29,259	96,277

Notes to the Accounts

year ended 31 December 2004

2(b) Geographical analysis of turnover, Group operating profit, profit before interest & tax (PBIT) & net assets

	Total Group turnover Year to 31 December 2004 £'000	Group operating profit Year to 31 December 2004 £'000	PBIT Year to 31 December 2004 £'000	Net Assets 31 December 2004 £'000	Total Group turnover Year to 31 December 2003 £'000	Restated Group operating profit Year to 31 December 2003 £'000	Restated PBIT Year to 31 December 2003 £'000	Restated Net assets 31 December 2003 £'000
United Kingdom	229,526	30,904	39,810	75,954	206,715	30,021	28,837	75,356
Rest of Europe	14,583	2,303	2,303	2,346	12,198	2,122	2,068	523
Asia Pacific	83,866	5,744	6,178	24,609	82,779	3,139	3,369	20,398
	327,975	38,951	48,291	102,909	301,692	35,282	34,274	96 277

The profit before interest and tax for the year ended 31 December 2004 for Asia Pacific is shown after charging goodwill amortisation of £1,561,000 (2003 - £1,544,000). The profit before interest and tax for the year ended 31 December 2004 for Europe is shown after charging goodwill amortisation of £531,000 (2003 - £278,000). The profit before interest and tax for the year ended 31 December 2004 for UK is shown after charging goodwill amortisation of £817,000 (2003 - £481,000).

Turnover by destination is not materially different from turnover by origin.

3. Group operating profit	Year to 31 December 2004 £'000	Restated Year to 31 December 2003 £'000
Total Group turnover	327,975	301,692
Staff costs (see Note 6)	(195,749)	(163,908)
Depreciation & other amounts written off tangible fixed assets	(4,711)	(4,923)
Impairment of goodwill	(639)	-
Amortisation of goodwill	(2,909)	(2,303)
Cost of sales - sale of trading properties	(9,177)	(24,273)
Other operating charges	(75,839)	(71,003)
Group operating profit	38,951	35,282

Included in Group operating profit are amounts relating to acquisitions being Group turnover of £2,124,000 (2003 - £850,000), staff costs of £1,199,000 (2003 - £301,000), depreciation of £39,000 (2003 - £17,000), amortisation £285,000 (2003 - nil) and other operating charges of £956,000 (2003 - £165,000).

During the year the Group disposed of its investment property in Llantrisant for net cash consideration of £16,059,000. The property had a book value of £6,965,000 and a profit of £9,094,000 was made on disposal.

Operating profit is stated after charging/(crediting):		Year to 31 December 2004 £'000	Year to 31 December 2003 £'000
Loss on sale of fixed assets		193	121
Audit fees	- PricewaterhouseCoopers	405	306
	- Other firms	41	33
Non-audit fees	- PricewaterhouseCoopers	247	222
	- Other firms	65	43
Operating lease rentals	- Hire of plant & machinery	245	337
	Property	7,834	9,101
Rental income		(817)	(677)

Analysis of PricewaterhouseCoopers' non-audit fees	Year to 31 December 2004 £'000	Year to 31 December 2003 £'000
Audit-related regulatory reporting	12	44
Further assurance services	57	28
Tax compliance	50	84
Tax advisory	128	66
	247	222

Auditors' remuneration for the audit of the Company amounts to £70,000 (2003 - £53,000).

Notes to the Accounts

year ended 31 December 2004

4. Share of operating profit/(loss) of associated undertakings	Year to 31 December 2004 £'000	Year to 31 December 2003 £'000
Share of operating profit/(loss) from interest in associated undertakings	280	(193)
Goodwill amortisation on investment in associated undertakings	(6)	(180)
Impairment of goodwill in Trammell Crow Company Limited (formerly Trammell Crow Savills Limited)	-	(1,186)
	274	(1,559)

Included within the results above are the Group's share of profits from Adventis Group plc for the period post its deemed disposal on 1 July 2004 (Note 14(i)).

5. Profit & loss account of the Company

As permitted by Section 230 of the Companies Act 1985 the profit and loss account of the Company is not presented as part of these Accounts. The profit after taxation of the Company for the year was £17,366,000 (2003 - £6,786,000).

6. Staff & Directors (a) Analysis of staff costs	Year to 31 December 2004 £'000	Year to 31 December 2003 £'000
Basic salaries & wages	102,023	92,320
Incentive bonuses & commissions	71,708	54,452
	173,731	146,772
Social security costs	15,121	11,053
Other pension costs	6,897	6,083
	195,749	163,908

(b) Staff numbers The average number of employees (including directors) during the year was:	Year to 31 December 2004 No.	Year to 31 December 2003 No.
UK	1,989	1,750
Rest of Europe	119	109
Asia Pacific	10,686	9,665
	12,794	11,524

The average number of UK employees (including directors) during the year included 143 employed under fixed-term and temporary contracts (2003 - 206).

(c) Directors' emoluments
A breakdown of current Directors' emoluments, including those of the highest paid Director, is shown in the Remuneration Report on pages 30 to 36.

The aggregate emoluments in connection with the management of the Group's affairs (together with pension contributions) of the Directors were:

	Year to 31 December 2004 £'000	Year to 31 December 2003 £'000
Executive Directors:		
Remuneration excluding bonuses	517	640
Bonuses	3,134	2,082
Fees to Non-Executive Directors	224	204
	3,875	2,926
Pension contributions	2,337	1,470
Total emoluments	6,212	4,396

During the year five Directors made gains totalling £476,808 on the exercise of options under the ESOP and the Sharesave Option Schemes (2003 - £308,102).

The pension annuity accrued for the highest paid Director was £17,250, with no lump sum accrued (2003 - £14,520 with no lump sum accrued). Retirement benefits under the defined benefits scheme are accruing for three Executive Directors and benefits are accruing under the defined contribution scheme for one Executive Director.

Notes to the Accounts

year ended 31 December 2004

6. Staff & Directors (continued)
(d) Directors' interests

Interests in the share capital of the Company beneficially held by members of the Board of Directors or their families at 31 December 2004 are detailed below:

Ordinary shares	**31 December 2004**	31 December 2003
Aubrey Adams	**270,535**	270,535
William Concannon	**-**	-
Jeremy Helsby	**206,802**	206,802
Simon Hope	**34,778**	15,000
Timothy Ingram	**12,000**	12,000
Richard Jewson (resigned 30 October 2004)	**-**	20,000
Derek McClain	**-**	-
Robert McKellar	**30,178**	40,000
Charles McVeigh	**-**	-
Rupert Sebag Montefiore	**104,178**	95,786
Peter Smith	**10,000**	-
Fields Wicker-Miurin	**680**	680

* or date of appointment, if later.

No members of the Board of Directors or their families held any non-beneficial interests in the share capital of the Company at 31 December 2004 (2003 - nil). Details of Directors' share options are given in the Remuneration Report on pages 30 to 36

At the date of approval of the Accounts the Company has not been notified of any changes since 31 December 2004 in the interests detailed above.

7. Pension scheme

(a) The Group operates a pension scheme providing benefits based on final pensionable salary. The assets of the scheme are held separately from those of the Group, being invested in managed fund units. The contributions are determined by an independent qualified actuary on the basis of triennial valuations.

The most recent actuarial valuation completed, using the projected unit method, was as at 5 April 2004. The assumptions which have the most significant effect on the results of the valuation are those relating to the rate of return on investments pre retirement (7.10%), the rates of increase in salaries (4.5%) and the post retirement investment return (5.25%). The valuation showed that the market value of the scheme's assets was £39,298,000 and that the actuarial value of those assets represented 65% of the benefits that had accrued to members, after allowing for expected future increases in earnings. On 1 January 2004, the Group's contribution increased from 15% to 18%. In addition, the Group made a lump sum prepayment of £15,000,000 into the Fund in 2004. Employee contributions were 5% from 1 January 2004 - 31 March 2004 and with effect from 1 April 2004 are 7%. The scheme has been closed to new joiners for pension benefits since 1 April 2000.

The total pension charge in respect of the scheme was £4,193,000 (2003 - £3,185,000). Of this charge £1,859,000 (2003 - £319,000) related to the amortisation of the pension deficit.

The Group also operates the Savills UK Group Personal Pension Plan, a defined contribution scheme, a number of defined contribution individual pension plans and a Mandatory Provident Fund Scheme in Hong Kong to which it contributes. The total pension charges in respect of these plans were £2,704,000 (2003 - £2,898,000).

The total pension charge for the year was £6,897,000 (2003 - £6,083,000).

(b) Additional disclosure requirements in accordance with FRS17 'Retirement Benefits'. The Pension and Life Assurance Plan of Savills is a defined benefit arrangement. The last full funding valuation was carried out as at 5 April 2004. A qualified independent actuary updated the results of that valuation to 31 December 2004 to obtain the figures in this disclosure note.

The major assumptions used were:

		31 December 2004	31 December 2003	31 December 2002
Rate of increase in salaries		**4.40%**	4.25%	3.75%
Rate of increase to pensions in payment	- accrued before 6 April 1997	**3.00%**	3.00%	3.00%
	- accrued after 5 April 1997	**2.90%**	2.75%	2.25%
Rate of increase to pensions in deferment	- accrued before 6 April 2001	**5.00%**	5.00%	5.00%
	- accrued after 5 April 2001	**2.90%**	2.75%	2.25%
Discount rate		**5.25%**	5.50%	5.50%
Inflation assumption		**2.90%**	2.75%	2.25%

Notes to the Accounts

year ended 31 December 2004

7. Pension scheme (continued)

The assets in the scheme & the expected rates of return were:	**Long-term rate of return expected at 31 December 2004**	**Value at 31 December 2004 £'000**	Long-term rate of return expected at 31 December 2003	Value at 31 December 2003 £'000	Long-term rate of return expected at 31 December 2002	Value at 31 December 2002 £'000
Equities	**8.00%**	**38,880**	8.00%	31,491	8.00%	21,990
Bonds	**5.00%**	**3,164**	5.00%	3,829	5.00%	4,868
Other	**6.90%**	**18,729**	5.50%	2,453	5.50%	1,710
Total market value of assets		**60,773**		37,773		28,568
Present value of scheme liabilities		**(81,107)**		(63,301)		(53,870)
Deficit in the scheme		**(20,334)**		(25,528)		(25,302)
Related deferred tax asset		**6,100**		7,658		7,591
Net pension liability		**(14,234)**		(17,870)		(17,711)

Net assets	**31 December 2004 £'000**	Restated 31 December 2003 £'000
Net assets excluding pension liability	**102,909**	96,277
Pension liability under FRS17	**(14,234)**	(17,870)
Net assets including pension liability under FRS17	**88,675**	78,407

Reserves	**31 December 2004 £'000**	Restated 31 December 2003 £'000
Profit & loss account excluding pension liability	**56,434**	50,301
Pension liability under FRS17	**(14,234)**	(17,870)
Profit & loss account under FRS17	**42,200**	32,431

Analysis of amount that would be charged to operating profit	**31 December 2004 £'000**	31 December 2003 £'000
Current service cost	**2,673**	2,394
Past service cost	**-**	42
Total operating charge under FRS17	**2,673**	2,436

Analysis of amount that would be credited to other finance income	**31 December 2004 £'000**	31 December 2003 £'000
Expected return on pension scheme assets	**2,970**	2,229
Interest on pension scheme liabilities	**(3,565)**	(3,040)
Net return under FRS17	**(595)**	(811)

Analysis of amount that would be recognised in Statement of Total Recognised Gains & Losses (STRGL)	**31 December 2004 £'000**	31 December 2003 £'000
Actual return less expected return on pension scheme assets	**1,725**	3,378
Experience gains & losses arising on the scheme liabilities	**(252)**	658
Losses arising from changes in financial assumptions underlying the scheme liabilities	**(10,968)**	(4,200)
Actuarial loss that would be recognised in STRGL under FRS17	**(9,495)**	(164)

Notes to the Accounts

year ended 31 December 2004

7. Pension scheme (continued)

Movements in deficit during the year	31 December 2004 £'000	31 December 2003 £'000
Deficit in scheme at the beginning of the year	(25,528)	(25,302)
Movement in the year		
Current service cost	(2,673)	(2,394)
Contributions	17,956	3,185
Past service costs	-	(42)
Other finance income	(594)	(811)
Actuarial loss	(9,495)	(164)
Deficit in scheme at the end of the year	(20,334)	(25,528)

The Group contributions during the accounting year amounted to £17,956,000 (including a lump sum payment of £15,000,000) and the agreed current Company contribution rate for the coming year is 18% of pensionable salaries. Active members of the Scheme contribute at the rate of 7% of pensionable salaries.

The scheme was closed to new entrants with effect from 1 April 2000. In accordance with FRS 17, the valuation of the schemes' liabilities has been determined using the projected unit method. In these circumstances the use of this method can lead to the contribution rate underlying the current service cost increasing in future years.

History of experience gains & losses	31 December 2004 £'000	31 December 2003 £'000
Difference between the expected & actual return on scheme assets:	1,725	3,378
Percentage of scheme assets	3%	9%
Experience (losses)/gains on scheme liabilities:	(252)	658
Percentage of the present value of the scheme liabilities	0%	1%
Total amount that would be recognised in Statement of Recognised Gains & Losses under FRS 17:	(9,495)	(164)
Percentage of the present value of the scheme liabilities	(12%)	0%

Notes to the Accounts

year ended 31 December 2004

8. Net interest	Year to 31 December 2004 £'000	Year to 31 December 2003 £'000
Bank interest receivable	2,427	1,482
Other interest receivable & similar income	27	45
Group interest receivable	2,454	1,527
Joint venture interest receivable	4	-
Associated undertakings' interest receivable	28	4
	2,486	1.531
Finance charges in respect of finance leases	(1)	(1)
Bank interest payable	(583)	(1,732)
Other	-	(2)
Group interest payable	(584)	(1,735)
Joint venture interest payable	-	(2)
Associated undertakings' interest payable	-	(11)
	(584)	(1,748)
	1,902	(217)

9. Tax on profit on ordinary activities

Analysis of tax charge in year	Year to 31 December 2004 £'000	Year to 31 December 2004 £'000	Year to 31 December 2003 £'000	Year to 31 December 2003 £'000
United Kingdom:				
Corporation tax at 30% (2003 - 30%)	15,071		9,963	
Adjustment in respect of previous years	(173)		912	
Share of joint ventures	21		12	
Share of associated undertakings	11		120	
		14,930		11,007
Foreign tax				
Corporation taxes	2,351		2,592	
Adjustment in respect of previous years	(55)		(212)	
Share of joint ventures	37		10	
Share of associated undertakings	30		41	
		2,363		2,431
Total current tax		17,293		13,438
Deferred tax:				
Origination & reversal of timing differences		(2,125)		(1,029)
Representing:				
United Kingdom		(1,950)		(731)
Foreign tax		(175)		(298)
Total deferred tax		(2,125)		(1.029)
Tax on profit on ordinary activities		15,168		12,409

Included in the tax charge for the year was tax on the profit on sale of trading properties of £664,000 (2003 - £1,414,000) and tax on sale of investment property of £2,428,000 (2003 - £nil).

Notes to the Accounts

year ended 31 December 2004

9. Tax on profit on ordinary activities (continued)

	Year to 31 December 2004 £'000	Restated Year to 31 December 2003 £'000
The tax for the year is higher (2003 - higher) than the standard rate of corporation tax in the UK (30%)		
The differences are explained below		
Profit on ordinary activities before tax	50,193	34,057
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2003 - 30%)	15,058	10,217
Effects of:		
Adjustments to tax in respect of prior year	(227)	700
Adjustments in respect of foreign tax rates	(668)	672
Expenses not deductible for tax purposes	3,090	2,001
Capital allowances in excess of depreciation	40	(152)
	17,293	13,438

	Group Year to 31 December 2004 £'000	Group Year to 31 December 2003 £'000	Company Year to 31 December 2004 £'000	Company Year to 31 December 2003 £'000
Deferred taxation asset				
Comprising:				
Accelerated capital allowances	422	267	296	297
Short term timing differences	3,808	1,879	380	-
Deferred tax asset	4,230	2,146	676	297
At 1 January 2004	2,146		297	
Amount credited to profit & loss	2,125		379	
Exchange rate fluctuations	(37)		-	
Acquired with subsidiary	(4)		-	
At 31 December 2004	4,230		676	

A deferred taxation asset of £2,017,000 relating to taxation on losses unavailable for relief is unrecognised as at 31 December 2004 (2003 - £2,459,000).

Notes to the Accounts

year ended 31 December 2004

10 Dividends	Year to 31 December 2004 £'000	Year to 31 December 2003 £'000
Ordinary interim dividend of 6.0p per share (2003 - 3.6p per share)	3,364	2,021
Ordinary proposed final dividend of 12.5p per share (2003 - 10.0p per share)	6,943	5,563
Special proposed dividend of 20.0p per share (2003 - nil)	11,052	-
	21,359	7,584

Under the terms of The Savills plc 1992 Employee Benefit Trust (the EBT), the Trustee has waived all but 0.01p of any dividend on each share held by the Trust. Savills QUEST Trustees Limited the trustee of the Qualifying Employee Share Trust has waived all dividends on the shares it holds.

11 Earnings per share

(a) Basic and diluted earnings per share

The earnings per share are based on the profit for the year and the weighted average number of ordinary shares in issue during the year excluding the shares held by the EBT, 5,240,601 shares (2003 - 5,192,582 shares) and QUEST, 9,496 shares (2003- 184,589 shares), which have waived dividends as detailed in Note 10. The earnings and the shares used in the calculations are as follows

	Year to 31 Dec 2004 Earnings £'000	Year to 31 Dec 2004 Shares '000	Year to 31 Dec 2004 EPS Pence	Restated Year to 31 Dec 2003 Earnings £'000	Year to 31 Dec 2003 Shares '000	Restated Year to 31 Dec 2003 EPS Pence
Basic earnings per share	34,775	55,938	62.2	20,810	56,207	37.0
Effect of additional shares issuable under option	-	5,647	-	-	4,900	-
Diluted earnings per share	34,775	61,585	56.5	20,810	61,107	34.1

(b) Adjusted basic earnings per share excluding sale of trading & investment properties, impairments and amortisation of goodwill

	Year to 31 Dec 2004 Earnings £'000	Year to 31 Dec 2004 Shares '000	Year to 31 Dec 2004 EPS Pence	Restated Year to 31 Dec 2003 Earnings £'000	Year to 31 Dec 2003 Shares '000	Restated Year to 31 Dec 2003 EPS Pence
Basic earnings per share as above	34,775	55,938	62.2	20,810	56 207	37.0
Amortisation of goodwill	2,915	-	5.2	2,483	-	4.4
Add back impairment of goodwill	639	-	1.1	1,186	-	2.1
Less sale of trading properties after tax	(1,525)	-	(2.7)	(3,300)	-	(5.8)
Less sale of investment property after tax	(5,666)	-	(10.1)	-	-	-
Adjusted basic earnings per share excluding sale of trading & investment properties, impairments and amortisation of goodwill	31,138	55,938	55.7	21,179	56,207	37.7

The Directors consider the disclosure of the supplementary earnings per share necessary in order for the effect of, impairment of goodwill and amortisation of goodwill to be fully appreciated as well as eliminating the sale of trading and investment property results which are not always of a comparable nature.

Notes to the Accounts

year ended 31 December 2004

12. Intangible assets - Group		Goodwill £'000
Cost	At 1 January 2004	43,809
	Additions	12,662
	Disposals (note 14(f))	(362)
	Transfer to associated undertakings (note 14(a) & (f))	(244)
	Exchange movement	(285)
	At 31 December 2004	55,580
Provisions for amortisation	At 1 January 2004	7,788
	Charge for the year	2,909
	Impairment	639
	Disposal (note 14(f))	(60)
	Transfer to associated undertakings (note 14(a) & (f))	(79)
	Exchange movement	(66)
	At 31 December 2004	11,131
Net book value	At 31 December 2004	44,449
	At 1 January 2004	36,021

13. Tangible assets - Group		Assets under construction £'000	Investment property £'000	Freehold property £'000	Short leasehold property £'000	Equipment & motor vehicles Owned £'000	Equipment & motor vehicles Leased £'000	Total £'000
Cost or valuation	At 1 January 2004	8,680	6,947	400	6,934	29,337	202	52,500
	Additions	231	18	-	1,649	5,029	23	6,950
	Subsidiary acquired (note 14(e))	-	-	-	3	86	71	160
	Subsidiary disposed (note 14(f))	(8,911)	-	-	(21)	(389)	(16)	(9,337)
	Disposals	-	(6,965)	-	(134)	(1,833)	(114)	(9,046)
	Exchange movement	-	-	(12)	(5)	(736)	(4)	(757)
	At 31 December 2004	-	-	388	8,426	31,494	162	40,470
Depreciation	At 1 January 2004	-	-	27	3,987	21,679	45	25,738
	Charge for the year	-	-	8	825	3,838	40	4,711
	Subsidiaries disposed (note 14(f))	-	-	-	(6)	(246)	-	(252)
	Disposals	-	-	-	(30)	(1,746)	(13)	(1,789)
	Exchange movement	-	-	-	-	(667)	(3)	(670)
	At 31 December 2004	-	-	35	4,776	22,858	69	27,738
Net book value	At 31 December 2004	-	-	353	3,650	8,636	93	12,732
	At 1 January 2004	8,680	6,947	373	2,947	7,658	157	26,762

13. Tangible assets (continued)
Company

		Freehold property owned £'000	Short leasehold property £'000	Equipment & motor vehicles £'000	Total £'000
Cost	At 1 January 2004	141	-	5,863	6,004
	Additions	-	77	688	765
	At 31 December 2004	141	77	6,551	6,769
Depreciation	At 1 January 2004	12	-	4,405	4,417
	Charge for the year	3	-	855	858
	At 31 December 2004	15	-	5,260	5,275
Net book value	At 31 December 2004	126	77	1,291	1,494
	At 1 January 2004	129	-	1,458	1,587

14. Investments

(a) Group - Investments in joint ventures & associated undertakings

		Joint ventures			Associated undertakings			
		Investment £'000	Loans £'000	Total £'000	Investment £'000	Goodwill £'000	Loans £'000	Total £'000
Cost	At 1 January 2004	294	255	549	6	-	179	185
	Additions	177	346	523	128	-	8	136
	Transfer from subsidiary undertaking (note 14(f))	-	-	-	1,303	244	-	1,547
	Write offs	(14)	-	(14)	-	-	-	-
	Disposals	-	-	-	(131)	-	-	(131)
	Repayment of loans	-	(186)	(186)	-	-	(205)	(205)
	Exchange movement	(19)	-	(19)	(3)	-	(11)	(14)
	At 31 December 2004	438	415	853	1,303	244	(29)	1,518
Share of retained (loss)/profit								
	At 1 January 2004	(9)	-	(9)	95	-	-	95
	Group's share of retained (loss)/profit	(1)	-	(1)	267	-	-	267
	Minority interest share of results	23	-	23	-	-	-	-
	Amortisation	-	-	-	-	(6)	-	(6)
	Dividends received	(116)	-	(116)	(109)	-	-	(109)
	Transfer from subsidiary undertaking (note 14(f))	-	-	-	434	(79)	-	355
	Disposals	-	-	-	(26)	-	-	(26)
	Impairment	(8)	-	(8)	-	-	-	-
	Exchange movement	-	-	-	(12)	-	-	(12)
	At 31 December 2004	(111)	-	(111)	649	(85)	-	564
Total	At 31 December 2004	327	415	742	1,952	159	(29)	2,082
	At 1 January 2004	285	255	540	101	-	179	280

Notes to the Accounts

year ended 31 December 2004

14 Investments (continued)

(b) Other investments		Other unlisted investments Group £'000
Cost	At 1 January 2004	2,616
	Additions	2,410
	Write off investment loan	(3)
	At 31 December 2004	5,023
Provisions	At 1 January 2004 and at 31 December 2004	1,189
Net book value	At 31 December 2004	3,834
	At 1 January 2004	1.427

Other Group investments comprise loans of £50,000 (2003 - £50,000) and other unlisted investments of £3,784,000 (2003 - £1,377,000).

At 31 December 2004 the Group holds 30% of the ordinary share capital of Ray Gasson & Associates Limited, whose principal activity relates to farm management and 25% of the ordinary share capital of Healthcare Development Services Limited, whose principal activity relates to the development of nursing homes. The Group also holds a 12.26% interest in Fastcrop plc, which provides the residential property website Primelocation.com. An additional £40,000 capital was contributed to Fastcrop plc during the year. The Group does not exert a significant influence over these businesses, and therefore does not equity account for these investments. These companies are registered in England and Wales and operate in the UK. These shareholdings are treated as trade investments.

The Group subscribed to 10% of the units of Savills Investor Syndicate No.1 LP (S.I.S No.1 LP) in November 2004 at a cost of £2,370,000. S.I.S No.1 LP is a retail investment fund investing in UK commercial and retail property. This entity was previously a wholly owned subsidiary of the group (see note 14(f)).

(c) Company - investments in subsidiaries & associated undertakings		Shares in Group undertakings £'000	Loans to Group undertakings £'000	Total £'000
Cost	At 1 January 2004	17,393	54,445	71.838
	Additions	-	1,593	1.593
	Repayment	-	(9,317)	(9,317)
	At 31 December 2004	17,393	46,721	64,114

Notes to the Accounts

year ended 31 December 2004

(d) Investments in subsidiaries, joint ventures & associated undertakings (continued)

The principal subsidiaries, joint ventures and associated undertakings of the Group which in the Director's opinion principally affect the figures shown in the financial statements and a summary of their principal activities are shown below. Except where otherwise noted, they are wholly owned, have share capitals wholly comprised of ordinary shares, are registered in England and Wales, operate in the UK and are consolidated into the Group Accounts. A full list of the Group's subsidiaries, joint ventures and associated undertakings is available from the registered office of Savills plc.

Subsidiary undertakings	Holding	Principal Activities
Aubourn Limited*		Provision of farm management, consultancy & agronomy services.
Cordea Savills LLP*+		Provision of fund management.
■ Savills (Australia) Holdings Pty Limited* (registered in Australia)	91%	Holding company for the Australian agency, property & facility management businesses
■ Savills Commercial Limited		Commercial surveyors
■ Savills (China) Limited* (registered in Hong Kong)		Holding company for the agency & property management businesses in China.
■ Savills Guardian (Holdings) Limited* (registered in Hong Kong)		Holding company for the Asian property & facilities management group
■ Savills Consultores Inmobiliarios SA* (registered in Spain)		Property consultant.
■ Savills GmbH* (registered in Germany)		Property consultant.
■ Savills (Hong Kong) Limited* (registered in Hong Kong)		Mixed practice agency, valuation & research.
■ Savills Immobilien Beteiligungs-GmbH* (registered in Germany)		Property consultant
Savills (L&P) Limited (previously FPDSavills Limited)		General practice surveyors.
■ Savills Property Management Limited* (registered in Hong Kong)		Property management.
■ Savills SA* (registered in France)		Property consultant.
■ Savills Italy SRL* (registered in Italy)	62.7%	Property consultant.
Savills Spolka z Organiczona* (registered in Poland)	50.1%	Property consultant
Grosvenor Hill Ventures Limited*		Provision of property funding and holding company for principal trading subsidiaries & joint arrangements.
Prime Purchase Limited*		Property buying company
Cordea Savills Investment Management Limited* (previously Savills Investment Management Limited)		Asset manager (regulated by FSA).
Savills Private Finance Limited*		Provision of general insurance, commercial broking, mortgage broking & personal financial planning services (regulated by FSA).
■ Savills Nederland BV* (registered in the Netherlands)	61%	Property consultant.
GHV (Northwich) Limited*		Procuring, letting and sale of properties.
Grosvenor Hill (Southampton) Limited*		Procuring, letting and sale of properties
GHV (Llantrisant) Limited*		Procuring, letting and sale of properties.
SIIS No.1 LP* (disposed November 2004)++		Real estate fund management.
Joint ventures		
Managed Office Solutions (GHV) Limited*	50%	Procuring & facilitating, letting of managed office space.
Infinergy Limited*	50%	Provision of renewable energy.
Associated undertakings		
Advent is Group plc	45.5%	Provision of marketing & media services.

*Shares/interests held indirectly by the Company.

+ Limited Liability Partnership

++ Limited Partnership

■ All of the above companies were renamed from FPDSavills to Savills as part of the global re-branding during the year.

Notes to the Accounts

year ended 31 December 2004

14. Investments (continued)
(e) Acquisitions of subsidiaries

Subsidiaries acquired		Hampden Real Estate Pte Ltd £'000	PDC Planning Development Consultancy Limited £'000	Tufvesson & Partners £'000	Other £'000	Total £'000
		Fair value to Group				
Tangible assets		13	99	16	32	160
Current assets:	Debtors	349	242	70	53	714
	Cash	112	7	8	166	293
	Work in progress	-	3	-	-	3
Total assets		474	351	94	251	1,170
Creditors due within one year	Bank overdrafts	-	(58)	-	(16)	(74)
	Other creditors	(205)	(182)	(16)	(129)	(532)
	Bank loans	-	(20)	-	-	(20)
	Finance leases	-	(58)	-	-	(58)
Provisions for liabilities & charges		-	(4)	-	(3)	(7)
Net assets		269	29	78	103	479
Minority share of net assets		-	-	(38)	41	3
Fair value of net assets acquired		269	29	40	144	482
Goodwill		2	971	913	10,776	12,662
Purchase consideration & costs		271	1,000	953	10,920	13,144
Analysis of purchase consideration & costs						
Purchase consideration		271	1,000	927	10,797	12,995
Acquisition costs		-	-	26	123	149
		271	1,000	953	10,920	13,144
Consideration and costs satisfied by						
Cash		190	499	953	8,995	10,637
Deferred consideration owing at balance sheet date		81	-	-	1,874	1,955
Issue of loan notes		-	501	-	51	552
		271	1,000	953	10,920	13,144

For all acquisitions there was no difference between the fair value and book value of net assets acquired. The additions have been accounted for using the acquisition accounting method. The Group acquires businesses intended for use on a continuing basis. The amortisation period used for writing off goodwill arising on the acquisitions above is a maximum of 20 years. This is in line with the Group goodwill accounting policy.

- In November 2004, Savills Singapore Pte acquired 100% of Hampden Real Estate Pte Ltd for cash consideration of £190,000 with a further amount of £81,000 payable in 2005.
- In July 2004, Savills Commercial Limited acquired PDC Planning Development Consultancy Limited for a cash consideration of £499,000. Loan notes of £501,000 were also issued and are repayable as per Note 16(d). The goodwill on acquisition of £971,000 has been capitalised in goodwill.
- In December 2004, Savills (Overseas Holdings) Limited acquired 51% of Tufvesson & Partners Fastighetsrådivning AB for cash consideration of £953,000. Goodwill on acquisition of £913,000 has been capitalised in goodwill.

Included within the other total above are the following acquisitions, for which the consideration was substantially all allocated to goodwill on acquisition:

- In November 2004, Savills Commercial Limited acquired a Leeds based investment team for cash consideration of £950,000 with a further £59,000 of contingent consideration payable in 2005. The goodwill on acquisition of £973,000 has been capitalised in goodwill.
- In April 2004, Savills (L&P) Limited acquired an agency partnership in Exeter for a total consideration of £1,223,000 all of which has been capitalised in goodwill.
- In July 2004, Savills (L&P) Limited acquired Elvy & Co for a total consideration of £124,000 all of which has been capitalised in goodwill. £20,000 remains payable at year end.
- In September 2004, Savills (L&P) Limited acquired Salvessens, in Harpenden, for a total consideration of £338,000. Goodwill on acquisition of £327,000 has been capitalised in goodwill.
- In September 2004, Savills (L&P) Limited acquired the remaining 15% of Aucorn Limited for a total consideration of £136,000. Goodwill on acquisition of £97,000 has been capitalised in goodwill. Loan notes of £51,000 were issued and are payable as per Note 16(c).
- In October 2004, Savills (L&P) Limited acquired Smith Woolley for a total consideration of £2,406,000 all of which has been capitalised in goodwill.

Notes to the Accounts

year ended 31 December 2004

14. Investments (continued)

(e) Acquisitions of subsidiaries (continued)

- In December 2004, Savills (L&P) Limited acquired Cowlins for a total consideration of £924,000 all of which has been capitalised in goodwill. £410,000 remains payable at year end.
- In November 2004 the Group acquired 50.1% of Savills Spolka z Organiczona, in Poland, for £39,000. Goodwill on acquisition of £16,000 has been capitalised in goodwill.
- In April 2004, Savills (Australia) Holdings Pty Ltd acquired the remaining minority interest within its subsidiary Savills (SA) Pty Ltd for total consideration of £699,000. Goodwill on acquisition of £619,000 has been capitalised in goodwill.
- In September 2004, Savills Asia Pacific Ltd acquired the property management business of GMAC Commercial Mortgage Japan KK. The purchase consideration of £651,000 has been capitalised in goodwill.
- In October 2004, Savills Private Finance Limited acquired Sherwins Mortgage Services Limited for a total consideration of £947,000. Goodwill on acquisition of £940,000 has been capitalised in goodwill; £400,000 of the consideration remains payable over the next 4 years.
- In May 2004, Savills SA, acquired National Conseil in Paris for a cash consideration of £269,000, all of which has been capitalised in goodwill.
- In June 2004, the Group acquired property management contracts in Spain for a cash consideration of £130,000 all of which has been capitalised in goodwill.
- In accordance with the terms of the acquisition of 21% of Savills Nederland BV in 2003, a further payment of £509,000 was made in September 2004. A total of £570,000 has been capitalised in goodwill.
- In June 2004, the Group paid £862,000 of deferred consideration relating to the 2003 acquisition of the remaining shareholding in Savills Immobilien Beteiligungs-GmbH. A further £384,000 is expected to be payable in September 2005. A total of £1,646,000 has been capitalised in goodwill.
- Further costs were incurred in relation to Savills Italy SRL, a total of £62,000 has been capitalised in goodwill.

(f) Disposal of subsidiaries & associated undertakings

The net assets on disposal comprised		Adventis Group plc £'000	S.I.S. No.1 LP £'000	Total £'000
Intangible assets		207	-	207
Tangible assets		174	8,911	9,085
Current assets:	Property held for sale	-	8,517	8,517
	Debtors	3,065	553	3,618
	Cash	601	658	1,259
Total assets		4,047	18,639	22,686
Creditors due within one year:	Other creditors	(2,801)	(526)	(3,327)
	Bank loans	-	(12,188)	(12,188)
	Finance leases	(24)	-	(24)
Net assets		1,222	5,925	7,147
Less minority share of net assets		(343)	-	(343)
Group share of net assets disposed		879	5,925	6,804
Group goodwill disposed		95	-	95
Profit on disposal		763	-	763
Consideration		1,737	5,925	7,662
Analysis of consideration:				
Cash		-	5,925	5,925
Transfer to investment in associated undertaking		1,737	-	1,737
		1,737	5,925	7,662

- On 1 July 2004 Adventis Group plc was floated on the Alternative Investment Market. On that date the Group's interest was diluted to 45.5% and a deemed disposal resulted. The remaining investment is recorded as an associated undertaking and a profit of £763,000 was recorded.
- In November 2004, Savills Finance Holdings disposed of its interest in S.I.S No.1 LP. The entity was disposed at book value. Intercompany loans that existed at the date of disposal were repaid by the acquirer. Subsequent to the disposal, Savills has purchased 10% of the fund units and this is recorded as an investment at cost (Note 14(c) and 29).

Associated undertakings

- In April 2004, Guardian Property Management sold its investment in Kai Fu Property Services Co Ltd to the other shareholders for cash consideration of £313,000.

Notes to the Accounts

year ended 31 December 2004

15(a) Debtors	Group 31 December 2004 £'000	Group 31 December 2003 £'000	Company 31 December 2004 £'000	Restated Company 31 December 2003 £'000
Trade debtors	64,105	56,670	1,713	794
Amounts owed by subsidiary undertakings	-	-	3,696	3,477
Other debtors	8,861	10,048	166	294
Taxation	-	-	2,527	1,556
Deferred taxation	4,231	2,146	676	297
Prepayments & accrued income	14,276	13,210	854	609
	91,473	82,074	9,632	7,027

Included within trade debtors is an amount of £75,000 due after one year (2003 - £89,000) and within other debtors an amount of £nil due after one year (2003 - £267,000).

15(b) Prepaid pension contributions	Group £'000	Company £'000
At 1 January 2004	-	-
Contributions paid in the year	15,000	909
Utilised in the year	(1,237)	(53)
At 31 December 2004	13,763	856

16. Creditors - amounts falling due within one year	Group 31 December 2004 £'000	Group 31 December 2003 £'000	Company 31 December 2004 £'000	Company 31 December 2003 £'000
Bank loans & overdrafts	3,517	3,319	7,511	6,107
Loan notes	349	100	-	-
Obligations due under finance leases	37	13	-	-
Deferred consideration	300	561	-	-
Trade creditors	13,954	13,427	238	693
Amounts owed to subsidiary undertakings	-	-	34,149	30,025
Corporation tax	8,211	5,916	-	-
Other taxation & social security	13,542	8,845	112	86
Other creditors	1,354	2,452	151	2,424
Accruals & deferred income	84,960	63,330	3,087	2,705
Dividends payable	17,960	5,790	17,960	5,605
	144,184	103,753	63,208	47,645

(a) Accruals and deferred income includes bonus payments in respect of the year ended 31 December 2004 payable after the year end.

(b) At 31 December 2004 £220,000 of the £490,000 3.5% Guaranteed Unsecured Loan Notes 2002 which were issued by a subsidiary undertaking as part consideration for the acquisition of the business and assets of Hutton Simpson Limited were still in issue. These are repayable over three years and interest is payable half yearly. An amount of £110,000 is due within one year.

(c) At 31 December 2004, £51,000 of the 6% Guaranteed Unsecured Loan Stock 2004, which were issued by a subsidiary undertaking as part consideration for the acquisition of the business and assets of Aucourn Limited were still in issue. These are repayable over three years and interest is payable half yearly. An amount of £20,000 is payable within one year.

(d) At 31 December 2004, £501,000 of the Variable Interest Rate Guaranteed Loan Notes 2004 were issued by a subsidiary undertaking in respect of the acquisition of PDC Planning Development Consultancy Limited and were still in issue. These are repayable over three years and interest is payable half yearly. An amount of £219,000 is due within one year.

Notes to the Accounts

year ended 31 December 2004

17. Creditors - amounts falling due after more than one year	Group 31 December 2004 £'000	Group 31 December 2003 £'000	Company 31 December 2004 £'000	Company 31 December 2003 £'000
Bank loans	142	18,961	-	-
Loan notes	423	220	-	-
Obligations under finance leases	70	36	-	-
Deferred consideration	1,655	-	-	-
Amounts owed to subsidiary undertakings	-	-	2,500	2,500
Other creditors	1,094	304	-	-
	3,384	19,521	2,500	2,500

(a) Included within other creditors is an amount of £193,000, repayable by instalments at £50,000 per annum. Interest is chargeable at 5% per annum.

(b) The Group no longer holds any properties held for sale or investment properties and there are no fixed charges at 31 December 2004. There are no loans outstanding as at 31 December 2004 (2003: £17.4m).

18. Financial instruments

(a) Interest rate risk profile of financial liabilities

The Group's financial liabilities comprise bank loans and overdrafts, loan notes, finance leases and other long term creditors.

The interest rate profile of the financial liabilities of the Group as at 31 December 2004, after taking into account interest rate swaps used to manage the interest profile, was:

	31 December 2004				31 December 2003			
	Floating rate financial liabilities £'000	Fixed rate financial liabilities £'000	Financial liabilities on which no interest is paid £'000	Total £'000	Floating rate financial liabilities £'000	Fixed rate financial liabilities £'000	Financial liabilities on which no interest is paid £'000	Total £'000
Sterling	501	586	-	1,087	12,903	5,043	-	17,946
Hong Kong dollar	715	-	1,110	1,825	1,372	-	1,532	2,904
Singapore dollar	19	-	-	19	23	-	-	23
Thailand baht	5	-	146	151	26	-	-	26
Australian dollar	-	2,828	2,325	5,153	-	3,039	2,499	5,538
Euro	113	304	-	417	108	439	44	591
	1,353	3,718	3,581	8,652	14,432	8,521	4,075	27,028

	31 December 2004			31 December 2003		
	Fixed rate financial liabilities weighted average interest rate %	Weighted average period for which rate is fixed years	Weighted average period on which no interest is paid years	Fixed rate financial liabilities weighted average interest rate %	Weighted average period for which rate is fixed years	Weighted average period on which no interest is paid years
Sterling	5.0	3	-	5.1	12	-
Hong Kong dollar	-	-	3	-	-	4
Australian dollar	7.3	1	4	6.4	7	4
Thailand baht	-	-	5	-	-	-
Euro	4.9	5	-	3.3	-	1

The floating rate financial liabilities comprise predominantly Hong Kong dollar denominated bank borrowings that bear interest at rates linked to the Hong Kong Interbank Offered Rate (HIBOR) and Sterling denominated loan notes that bear interest at rates linked to LIBOR. The Group had no interest caps at 31 December 2004 (2003 - nil).

18. Financial instruments (continued)

(b) Interest risk profile of financial assets

The financial assets of the Group comprise cash at bank and on money markets on call, other unlisted investments and debtors greater than one year

	31 December 2004				31 December 2003			
			Non-interest				Non-interest	
	Fixed	**Floating**	**bearing**	**Total**	Fixed	Floating	bearing	Total
	£'000	**£'000**	**£'000**	**£'000**	£'000	£'000	£'000	£'000
Sterling	**10,000**	**53,682**	**3,833**	**67,515**	18,000	34,467	1,427	53,894
Euro	**80**	**4,653**	-	**4,733**	-	4,075	-	4,075
Polish zloty	-	**51**	-	**51**	-	-	-	-
Swedish krona	-	**8**	-	**8**	-	-	-	-
Hong Kong dollar	**3,762**	**13,761**	**1**	**17,524**	2,923	9,041	-	11,964
Singapore dollar	-	**130**	-	**130**	-	108	-	108
Thailand baht	**68**	**128**	-	**196**	71	73	-	144
Australian dollar	-	**616**	-	**616**	246	1,069	-	1,315
Chinese renminbi	**316**	**1,290**	-	**1,606**	611	653	-	1,264
Japanese yen	-	**82**	-	**82**	-	-	-	-
US dollar	**406**	**1,098**	-	**1,504**	554	333	-	887
	14,632	**75,499**	**3,834**	**93,965**	22,405	49,819	1,427	73,651

The floating interest rates of the cash balances included in the table above are based on the relevant bank base rates.

(c) Currency risk

The Group's approach is explained as part of the Financial Review on pages 14 and 15. The Group does not actively seek to hedge risks arising from foreign currency transactions. Gains and losses from currency movements in net assets of subsidiary undertakings are recognised in the Statement of Recognised Gains and Losses. All financial assets and liabilities are denominated in the functional currencies of the operations involved with the exception of a £2.5m sterling loan from Savills Asia Pacific Limited (which has a functional currency of Hong Kong Dollars) to the Company.

(d) Maturity of financial liabilities

The maturity profile of the Group's financial liabilities at 31 December 2004 was as follows:	**31 December 2004** **£'000**	31 December 2003 £'000
In one year or less, or on demand	5,454	5,142
In more than one year but not more than two years	1,173	2,205
In more than two years but not more than five years	1,718	4,350
In more than five years	307	15,331
	8,652	27,028

(e) Borrowing facilities

The Group had undrawn committed borrowing facilities available at 31 December 2004 in respect of which all conditions precedent had been met as follows:

	31 December 2004 **£'000**	31 December 2003 £'000
In one year or less, or on demand	17,997	18,963

(f) Fair value

Carrying values of all financial assets and liabilities are not materially different from their fair values

Notes to the Accounts

year ended 31 December 2004

19. Provisions for liabilities & charges Group	Claims £'000	Holiday & long service £'000	Other £'000	Total £'000
At 1 January 2004	1,979	4,075	4,252	10,306
Provided during the year	1,060	1,095	1,221	3,376
Utilised during the year	(708)	(1,409)	(46)	(2,163)
Acquisitions (note 14(e))	-	-	7	7
Exchange movements	(27)	(179)	-	(206)
At 31 December 2004	2,304	3,582	5,434	11,320

Claims include professional indemnity insurance provisions and SURVIA as detailed in Note 23. The holiday and long service provision relates to companies in Hong Kong, Australia and Thailand and are expected to crystallise within five years of the balance sheet date. Other provisions include amounts for employee related obligations expected to crystallise within five years.

Company	Other £'000
At 1 January 2004	32
Provided during the year	1,202
At 31 December 2004	1,234

20. Share capital - Group & Company	31 December 2004 No. shares	31 December 2003 No. shares	31 December 2004 £'000	31 December 2003 £'000
Ordinary shares of 5p each:				
Authorised	101,000,000	101,000,000	5,050	5,050
Allotted, called up & fully paid	60,510,617	61,396,903	3,026	3,070

During the year, within the 5% limit authorised by shareholders at the 2004 Annual General Meeting, the Company bought back 2.3% of its alloted share capital in order to improve the efficiency of the Group's capital structure. This amounted to 1,410,000 shares at an average price of 404.8p each (excluding expenses) at a total cost of £5,704,639. The nominal value of the shares purchased (£70,000) has been credited to the capital redemption reserve (see note 21).

Movement in allotted, called up & fully paid share capital:

	No. shares	£'000
At 1 January 2004	61,396,903	3,070
Allotted to employees under the Savills plc United Kingdom Executive Share Option Scheme	17,500	1
Allotted to employees under The Savills Executive Share Option Scheme	75,000	4
Allotted direct to participants on exercise of options under the Savills Sharesave Scheme	375,375	18
Allotted to Savills QUEST Trustees Limited, the trustee of the Qualifying Employee Share Trust	55,839	3
Repurchased for cancellation	(1,410,000)	(70)
At 31 December 2004	60,510,617	3,026

(a) During the year 17,500 ordinary shares of 5p each (2003 - 28,000) were allotted to employees under the Savills plc United Kingdom Executive Share Option Scheme (the Scheme), for a total consideration of £14,000 (2003 - £17,600). The total aggregate nominal value was £875 (2003 - £1,400). No options were outstanding under the scheme at 31 December 2004.

Notes to the Accounts

year ended 31 December 2004

20. Share capital - Group & Company (continued)

(b) The following share options have been granted with a nominal exercise price under the Savills plc 1992 Executive Share Option Scheme (the ESOP) & were outstanding at 31 December 2004:

Exercise period	No. shares '000 31 December 2004	No. shares '000 31 December 2003
2 years from 14 January 2003	-	110
2 years from 10 July 2003	40	170
2 years from 20 July 2004	229	814
2 years from 20 July 2005	898	1.003
2 years from 6 April 2006	753	860
	1,920	2,957

(c) The following share options have been granted under the Savills Executive Share Option Scheme (2001) & were outstanding at 31 December 2004:

Exercise period	Exercise	price	No. shares '000 31 December 2004	No. shares '000 31 December 2003
7 years from 26 September 2004	Approved	144.5p	104	104
7 years from 26 September 2004	Unapproved	144.5p	181	206
7 years from 10 April 2005	Unapproved	194.5p	285	310
7 years from 25 March 2006	Unapproved	139p	285	310
7 years from 30 March 2007	Unapproved	435.5p	118	-
			973	930

(d) During the year 375,375 shares (2003 - 185,087 shares) were allotted direct to participants and 230,912 shares (2003 - 541,296 shares) were transferred from the Qualifying Employee Share Trust on the exercise of options under the Savills Sharesave Scheme. The following table shows the options remaining outstanding as at 31 December 2004, 94,506 shares (2003 - 623,981 shares) having lapsed and 606,287 (2003 - 706,383 shares) having been exercised in accordance with the rules of the scheme for consideration of £769,164 (2003 - £725,223)

Date of grant	Exercise price	Options exercisable	No. shares '000 31 December 2004	No. shares 000 31 December 2003
8 October 1998	84p	01.12.01 - 01.06.06	232	470
6 August 1999	144p	01.10.02 - 01.04.07	51	150
11 August 2000	165p	01.10.03 - 01.04.08	103	125
21 June 2001	220p	01.08.04 - 01.02.05	8	54
4 October 2001	144p	01.12.04 - 01.06.05	60	298
20 May 2003	111p	01.07.06 - 01.01.07	708	766
			1,162	1,863

(e) During the year 55,839 shares (2003 - 153,884 shares) were allotted to Savills QUEST Trustees Limited, the trustee of the Qualifying Employee Share Trust. At 31 December 2004 the Trust held 9,496 shares (2003 - 184,569 shares) of Savills plc, 230,912 shares (2003 - 541,296 shares) having been transferred to participants on the exercise of options under the Savills Sharesave Scheme for consideration of £193,966 (2003 - £454,689)

(f) The following have been awarded with a nominal exercise price under the Savills Deferred Share Bonus Plan (the DSBP) and remained outstanding at the year-end

Date of award	Vesting date	No. shares '000 31 December 2004	No. shares '000 31 December 2003
22 March 2002	22.03.07	746	810
14 March 2003	14.03.08	612	651
15 March 2004	15.03.09	529	-
		1,887	1,461

(g) At the Annual General Meeting held on 5 May 2004 the shareholders gave the Company authority, subject to stated conditions, to purchase for cancellation up to 3,071,307 of its own ordinary shares (AGM held on 30 April 2003 - 3,141,557). Such authority remained valid at 31 December 2004.

Notes to the Accounts

year ended 31 December 2004

21. Reserves

Group	Capital redemption reserve £'000	Share premium account £'000	Restated Profit & loss account £'000
At 1 January 2004	107	42,237	50,301
New shares issued	-	877	-
Purchase of own shares	70	-	(5,751)
Share based compensation credit	-	-	4,126
Purchase own shares for EBT	-	-	(4,238)
Exchange movement	-	-	(1,420)
Profit transferred to reserves	-	-	13,416
At 31 December 2004	177	43,114	56,434

The total cumulative goodwill relating to Group undertakings eliminated against reserves at 31 December 2004 amounted to £3,794,000 (2003 - £3,794,000).

During the year, the EBT purchased 1,000,000 shares of the Company with a nominal value of £50,000. As at 31 December 2004 the EBT held 5,240,501 shares in the Company with a nominal value of £262,025 and a market value of £27,303,010 (2003 - 5,192,852 shares with nominal value of £259,643 and market value of £17,266,232). The maximum number of shares held by the EBT during the year was 5,512,582 (2003 - 5,807,786). As detailed in Note 10, the Trustee has waived all but 0.01p of any dividend on each share held by the Trust.

At 31 December 2004 Savills QUEST Trustees Limited, the trustee of the Qualifying Employee Share Trust (QUEST), held 9,496 shares in the Company with a nominal value of £475 and a market value of £49,474 (2003 - 184,569 shares with a nominal value of £9,228 and a market value of £613,692). The maximum number of shares held by the trustee of the QUEST during the year was 131,178 (2003 - 571,981). As detailed in Note 10 Savills QUEST Trustees Limited has waived all dividends on the shares it holds.

Company	Share premium account £'000	Capital redemption reserve £'000	Merger reserve £'000	Restated Profit & loss account £'000
At 1 January 2004	42,237	107	3,009	16,862
New shares issued	877	-	-	-
Purchase of own shares	-	70	-	(5,751)
Share based compensation credit	-	-	-	4,126
Purchase own shares for EBT	-	-	-	(4,238)
Loss transferred to reserves	-	-	-	(3,993)
At 31 December 2004	43,114	177	3,009	7,006

22. Capital commitments - Group

Capital expenditure contracted at the year-end, which has not been provided for, amounted to £422,000 (2003 - £nil).

23. Contingent liabilities

The Company is a participator in the Surveyors Mutual Insurance Association (SURMA). SURMA currently has a deficit between net assets and estimated liabilities in respect of notified potential claimants. Potential claimants have an extended period in which to make a claim, and additional liabilities may continue to emerge. In the event of any other members of SURMA being unable to meet their cash calls, a share of the additional shortfall would revert to the Company.

As at 31 December 2004, the Company has made a provision of £18,000 (2003 - £31,000), being Savills' share of the potential deficit based on current notified claims as advised by the professional managers of SURMA. It is not possible to estimate the extent of any additional future liabilities which may emerge.

There were outstanding Company guarantees in respect of financial obligations of subsidiary undertakings £2.3m (2003 - £2.3m).

Notes to the Accounts

year ended 31 December 2004

24. Operating lease commitments - Group	Property leases 31 December 2004 £'000	Property leases 31 December 2003 £'000	Other leases 31 December 2004 £'000	Other leases 31 December 2003 £'000	Total 31 December 2004 £'000	Total 31 December 2003 £'000
Annual rentals payable on leases expiring:						
Within one year	1,589	298	195	138	1,784	436
In one to five years	2,994	4,873	792	830	3,786	5,703
After five years	3,246	2,476	-	-	3,246	2,476
	7,829	7,647	987	968	8,816	8,615

25. Finance leases - Group	At 31 December 2004 £'000	At 31 December 2003 £'000
Amounts payable under finance leases:		
Within one year	45	14
In one to five years	61	35
After five years	18	4
	124	53
Less: future finance charges	(17)	(4)
	107	49

26. Reconciliation of operating profit to net cash inflow from operating activities	Year to 31 December 2004 £'000	Restated Year to 31 December 2003 £'000
Operating profit	38,951	35,282
Depreciation charges	4,711	4,923
Impairment of goodwill	639	-
Amortisation of goodwill	2,909	2,303
Loss on sale of fixed assets	193	121
Decrease in property held for sale	2,052	16,575
Decrease/(increase) in work in progress	126	(82)
Increase in debtors	(14,544)	(8,180)
Increase in pension prepayment contribution	(13,763)	-
Increase in creditors	29,652	2,726
Increase in provisions	1,213	4,269
Charge for share based compensation	4,126	2,158
Provision against fixed asset investments	16	468
Net cash inflow from operating activities	56,281	60,563

Notes to the Accounts

year ended 31 December 2004

27. Reconciliation of net cash flow to net funds	Year to 31 December 2004 £'000	Year to 31 December 2003 £'000
Increase in cash	23,281	10,448
Cash outflow from decrease in debt	5,993	787
Capital element of finance leases repaid	-	26
New finance lease	(24)	-
(Decrease)/increase in liquid resources	(3,732)	9,425
Net loans disposed with subsidiaries	12,168	-
Finance lease acquired with subsidiary	(34)	-
Loan notes issued on acquisition of subsidiary	(552)	-
Exchange movements	(804)	(2,205)
	36,296	18,481
Net funds at beginning of year	48,979	30,498
Net funds at end of year	85,275	48,979

28. Analysis of changes in net funds	At 1 January 2004 £'000	Cash flows £'000	Acquisitions & disposals (excl cash & overdrafts) £'000	Other non-cash £'000	Exchange movement £'000	At 31 December 2004 £'000
Cash at bank	41,773	22,903	-	-	(400)	64,276
Overdraft	(508)	378	-	-	(1)	(131)
		23,281	-	-		
Liquid funds on one month deposit	8,808	(7,761)	-	-	-	1,047
Liquid funds on short term deposit	21,290	4,029	-	-	(586)	24,733
	71,363	19,549	-	-	(987)	89,925
Debt - due within one year	(2,961)	(599)	(20)	(251)	46	(3,785)
- due after one year	(19,374)	6,592	12,188	(301)	137	(758)
Finance leases	(49)	-	(34)	(24)	-	(107)
Net funds	48,979	25,542	12,134	(576)	(804)	85,275

Notes to the Accounts

year ended 31 December 2004

29. Related party transactions

During the year loans were outstanding from the following related undertakings: Barlows (Sefton) Limited, GHV (Sprucefields) Limited and GHV SVD Holdings Limited. Interest was charged on such loans at arm's length rates. Interest received during the year totalled £nil (2003- £64,000).

The movements on the aggregate loans to related undertakings were as follows:	31 December 2004 £'000	31 December 2003 £'000
Balance at beginning of year	**3,339**	4,454
Additions	**2,575**	394
Disposal	**(5,886)**	-
Repayments	**(2)**	(1,509)
Balance at end of year	**26**	3,339

Savills plc and its subsidiaries provide accounting and other administrative services to some associated companies at nominal fees.

The Savills Share Incentive Plan (the Plan) is a share purchase plan available to all employees of participating companies and Executive Directors. Each month trustees of the plan invest Participants' contributions in Savills plc ordinary shares at the prevailing market price in accordance with the plan rules. Three of the Executive Directors in Savills plc participate in the Plan.

Savills Investor Syndicate No.1 LP (the "Fund") is a UK property fund for private and institutional investors. During 2004 third party capital amounting to £23.7m was raised for the fund. Savills retains a 10% interest in the Fund through its wholly owned subsidiary Kitesorve Limited. Investors were invited to subscribe to the equity of the Fund for a nominal amount and all investors invested on the same terms. The assets in the Fund were valued by the Fund's independent Valuer and at the date of subscription the Fund had an estimated Net Asset Value of £21.1m. Five Savills plc Directors have invested in the Fund and details of their investments are as follows:

Name of Director	Amount invested* £'000	% of total raised £'000
Aubrey Adams	600	2.54
Jeremy Helsby	250	1.06
Simon Hope	200	0.84
Rupert Sebag-Montefiore	200	0.84
Robert McKellar	50	0.21

*Investments were made through individuals Self Invested Personal Pension Plans. In addition, key management also contributed up to a total of 20.26% of the equity raised. Of the amounts invested 0.01% constituted capital contribution and 99.99% constituted loan contribution.

30. Post Balance Sheet Events

Programme to re-purchase shares	At the Annual General Meeting (AGM) held on the 5 May 2004 the shareholders gave authority for a limited purchase of Savills shares for cancellation of up to 5% of the issued share capital. As announced on 30 December 2004 the Company undertook an irrevocable, non-discretionary programme to re-purchase its own shares during the close period. As at 2 March 2005 the Company had purchased 100,000 shares for cancellation under this programme during the close period.
Savills (L&P) Limited acquisition	On 28 February 2005, Savills (L&P) Limited acquired Holden Matthews Estate Agents Limited, based in Islington and Stoke Newington.

Five Year Review

year ended 31 December 2004

Profit & loss account	Year to 31 December 2004 £'000	Restated Year to 31 December 2003** £'000	Year to 31 December 2002 £'000	Restated Year to 31 December 2001* £'000	8 months to 31 December 2000 £'000
Turnover - Group & share of joint ventures	**329,739**	303,002	282,776	239,919	162,067
Less: share of turnover of joint ventures	**(1,764)**	(1,310)	(442)	(4,483)	(5,377)
Total Group turnover	**327,975**	301,692	282,334	235,436	156,690
Group operating profit	**38,951**	35,282	29,208	18,238	13,470
Share of operating profit of joint ventures	**55**	30	9	708	851
Share of operating profit/(loss) of associated undertakings	**274**	(1,559)	(3,928)	(773)	516
Profit/(loss) on disposal of interests in subsidiary undertakings	**763**	-	(216)	435	793
Profit on disposal of interest in joint venture	**-**	-	-	1,052	-
Profit on disposal of interests in associated undertakings	**154**	-	53	2,455	1,350
Profit on disposal of property	**-**	-	-	121	-
Profit on disposal of investments	**-**	521	-	53	-
Profit on disposal of investment property	**8,094**	-	-	-	-
Permanent diminution in value of investment property	**-**	-	(4,332)	-	-
Net interest	**1,902**	(217)	(413)	(739)	448
Profit on ordinary activities before taxation	**50,193**	34,057	20,381	21,550	17,428
Tax on profit on ordinary activities	**(15,168)**	(12,409)	(10,115)	(6,881)	(5,941)
Profit on ordinary activities after taxation	**35,025**	21,648	10,266	14,669	11,487
Equity minority interests	**(250)**	(838)	(1,722)	(1,108)	(959)
Profit for the financial year	**34,775**	20,810	8,544	13,561	10,528
Basic earnings per share	**62.2p**	37.0p	15.1p	24.2p	18.7p
Ordinary dividend per share	**18.5p**	13.6p	10.2p	9.75p	6.00p
Special dividend per share	**20.0p**	-	-	-	-
Balance sheet					
Fixed assets	**63,839**	65,030	58,420	67,433	70,919
Net current assets	**53,774**	61,074	56,648	43,618	27,960
Creditors - amounts falling due after more than one year	**(3,384)**	(19,521)	(21,877)	(22,568)	(21,759)
Provisions	**(11,320)**	(10,306)	(5,578)	(2,843)	(1,959)
	102,909	96,277	87,613	85,640	75,161
Employees					
Average number of employees	**12,794**	11,524	11,600	11,453	10,855

* Restated for FRS19. Earlier years have not been restated.
** Restated for UITF 38 'Accounting for ESOP trusts'.

Savills' UK Offices

C = Commercial, R = Residential, A = Agricultural, E = Estate Office F = Financial Services Offices

Ayr (R, A)

Banbury (R, A)

Bath (R)

Beaconsfield (R)

Belfast (C)

Birmingham (C, R, F)

Bishop's Stortford (R)

Bodmin (E)

Brechin (R, A)

Brighton (F)

Bristol (R, F)

Cambridge (C, R, A, F)

Canford Cliffs (R)

Chelmsford (C, R, A)

Cirencester (R)

Clifton (R)

Cranbrook (R)

Edinburgh (R, A, F)

Edinburgh (C)

Esher (R)

Exeter (1) (R)

Exeter (2) (R)

Farnham (R)

Glasgow (C, R, F)

Guildford (R)

Guildford (F)

Harpenden (R)

Henley (R)

Huntingdon (R)

Ipswich (R, A)

Leeds (C)

Lincoln (R, A)

London

Barnes (R)

Canary Wharf (R)

Canary Wharf (F)

Chiswick (R)

City (C, F)

Docklands (R)

Docklands - Butlers Wharf (R)

Fulham (R)

Hampstead (R)

Islington (R)

Kensington (R)

Knightsbridge (R)

Prime Purchase (R)

Putney (R)

Richmond (R)

Stoke Newington (R)

Wandsworth (R)

West End (C, R, F)

West End (F)

Wimbledon (R)

Manchester (C, R, F)

Micheldever (R)

Newark (A)

Norwich (C, R, A)

Nottingham (C, R, F)

Oxford (C, R, A, F)

Perth (A)

Salisbury (R, A)

Sevenoaks (R, A, F)

Southampton (C, R, F)

Solihull (R)

Southill (E)

Stamford (R)

Summertown (A)

Sunningdale (R)

Tavistock (E)

Telford (R, A)

Westerham (F)

Weybridge (R)

Wimborne (C, R, A, F)

Winchester (R, A)

Wilmslow (R)

Windsor (R)

Woodstock (A)

York (R, A)

Adventis Group plc

Aubourn Limited

Christopher Lyons
(Associate Office)

Davis Bowring
(Associate Office)

Ray Gasson & Associates
(Associate Office)

Savills' International Offices

AUSTRALIA
Adelaide (C)

Brisbane (C)

Melbourne (C)

Perth (C)

Sunshine Coast (C)

Sydney (C)

CHINA
Beijing (C, R)

Guangzhou (C)

Shanghai (C, R)

Shenzhen (C)

DUBAI (C)

FRANCE
Paris (C)

GERMANY
Berlin (C)

Essen (C)

Frankfurt (C)

GREECE
Athens (C, R)

HONG KONG SAR
Hong Kong Island (C, R)

Hong Kong Island (C)

Kowloon (C)

IRELAND
Dublin (C)

ITALY
Milan (C)

Rome (C)

JAPAN
Tokyo (C)

MALAYSIA
Kuala Lumpur (C)

NETHERLANDS
Amsterdam (C)

PHILIPPINES
Makati City (C)

POLAND
Warsaw (C)

PORTUGAL
Lisbon (C)

SINGAPORE
Singapore (C)

SOUTH AFRICA
Capetown (R)

SPAIN
Barcelona (C)

Madrid (C)

SWEDEN
Stockholm (C)

THAILAND
Bangkok (C)

Savills strategic alliance with Trammell Crow Company the leading US full service real estate advisory company gives access to 62 offices in the Americas

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Savills plc