

JOHNSON FRY PROPERTY LIMITED  
AND SUBSIDIARY UNDERTAKINGS

DIRECTORS' REPORT AND  
FINANCIAL STATEMENTS

for the year ended  
31 December 1993



Company Number 2246643

Ayr Bacup Belfast Birmingham Bristol Bury St Edmunds  
Croydon Edinburgh Enniskillen Glasgow Leeds London  
Manchester Newbury Newcastle Newmarket Norwich  
Nottingham Poole Rochdale St Albans Saltceats  
Stranraer Wolverhampton

DIRECTORS

A W Tait (Chairman)  
O H Inskip  
C A Fry  
R E Parsons  
N P Hare  
M P Hindle

SECRETARY

Johnson Fry Secretaries Limited

REGISTERED OFFICE

20 Regent Street  
London SW1Y 4PZ

AUDITORS

BDO Binder Hamlyn  
Broad Quay House  
Broad Quay  
Bristol BS1 4PQ

BANKERS

Bank of Scotland  
The Mound  
Edinburgh EH1 1YZ

Midland Bank  
45 Milsom Street  
Bath BA1 1DU

SOLICITORS

Thrings and Long  
Midland Bridge Road  
Bath BA1 2HQ

**DIRECTORS' REPORT**  
for the year ended 31 December 1993

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**FINANCIAL STATEMENTS**

The directors present their report and the group financial statements for the year ended 31 December 1993.

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for the period. In preparing those financial statements, the directors are required to:

- (1) select suitable accounting policies and then apply them consistently;
- (2) make judgements and estimates that are reasonable and prudent;
- (3) state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- (4) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS**

The company's principal activity is to act as managing agent for companies operating under the Assured Tenancy rules of the Housing Act 1988 and the Business Expansion Scheme.

The activities of the company's subsidiary undertakings are set out in Note 7 to the financial statements.

The group's business developed satisfactorily during the year and at the end of the year the group was in a good position to continue this development.

**RESULTS AND DIVIDENDS**

The profit for the year after taxation amounted to £1,320,186. The directors recommend that this amount be dealt with as follows:

	£
Dividends - paid	1,600,000
Transfer from reserves	279,814
	<u>1,320,186</u>

**FIXED ASSETS**

Details of movements in fixed assets during the year are set out in Note 6 to the financial statements.

The directors are of the opinion that the current market value of the company's freehold office premises in Bath is approximately £300,000. This property is shown in the balance sheet on a cost basis at approximately £650,000. No adjustment has been made to reflect the current market value as there is no intention to dispose of the building in the foreseeable future and the directors do not believe that there has been a permanent diminution in value.

DIRECTORS' REPORT  
for the year ended 31 December 1993 (continued)

# DIRECTORS

The directors during the year were as follows:

A W Tait  
O H Inskip  
C A Fry  
R E Parsons  
N P Hare

M P Hindle was appointed as a director on 1 February 1994.

# DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The directors who held office during the year had the following beneficial interests in the shares and debentures of the company at the beginning and end of the financial year:

	£1 Ordinary shares fully paid 31 December 1993	£1 Ordinary shares fully paid 1 January 1993
A W Tait	-	-
O H Inskip	-	249
C A Fry	-	-
R E Parsons	-	-
N P Hare	-	-

The beneficial interests of C A Fry and O H Inskip in the shares of group companies are shown in the accounts of Johnson Fry Holdings PLC, the company's ultimate parent undertaking.

The beneficial interests of R E Parsons and N P Hare in the shares of group companies at the beginning and end of the financial year were as follows:

	10p 'A' Ordinary shares in Johnson Fry plc fully paid 31 December 1993	10p 'A' Ordinary shares in Johnson Fry plc fully paid 1 January 1993
R E Parsons	-	312
N P Hare	-	312

  

	10p Ordinary shares in Johnson Fry Holdings PLC fully paid 31 December 1993	10p Ordinary shares in Johnson Fry Holdings PLC fully paid 1 January 1993
R E Parsons	28,075	-
N P Hare	28,075	-

# DIRECTORS' INSURANCE

The company maintains insurance policies on behalf of all the directors against liability arising from negligence, breach of duty and breach of trust in relation to the company.

# POST BALANCE SHEET EVENTS

Since the year end Johnson Fry Property Limited's ultimate parent undertaking has changed its name from LIT Holdings PLC to Johnson Fry Holdings PLC.

DIRECTORS' REPORT  
for the year ended 31 December 1993 (continued)

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AUDITORS

In accordance with Section 384 of the Companies Act 1985, a resolution proposing that BDO Binder Hamlyn be re-appointed as auditors of the company will be put to the Annual General Meeting.

This report was approved by the Board on

17/3/94

A handwritten signature in dark ink, appearing to read 'R E Parsons', is written over the printed name.

R E Parsons  
Director

**AUDITORS' REPORT**  
to the members of Johnson Fry Property Limited

We have audited the financial statements on pages 6 to 21 which have been prepared on the basis of the accounting policies set out on pages 10 and 11.

**Respective responsibilities of directors and auditors**

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

**Basis of 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. It also includes an assessment of the significant estimates and judgements 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 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 the affairs of the company and of the group as at 31 December 1993 and of the group's profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*BDO Binder Hamlyn*

Chartered Accountants  
Registered Auditors

*17 March 1994*

PROFIT AND LOSS ACCOUNT  
for the year ended 31 December 1993

	Notes	Continuing operations 1993 £	1992 £
Turnover	2	11,195,595	3,406,041
Cost of sales		<u>6,325,777</u>	<u>1,139,901</u>
Gross profit	2	4,869,818	2,266,140
Administrative expenses		<u>2,763,708</u>	<u>1,224,367</u>
Operating profit		2,106,110	1,041,773
Interest receivable and similar income	4	68,742	62,714
Interest payable and similar charges	4	<u>173,203</u>	<u>105,445</u>
Profit on ordinary activities before taxation		2,001,649	999,042
Tax on profit on ordinary activities	5	<u>681,463</u>	<u>335,031</u>
Profit on ordinary activities after taxation		1,320,186	664,011
Dividends		<u>1,600,000</u>	<u>500,000</u>
Retained (loss)/profit for the year	16	<u>(279,814)</u>	<u>164,011</u>

There are no recognised gains and losses other than the profit for the year.

CONSOLIDATED BALANCE SHEET  
as at 31 December 1993

	Notes	£	1993 £	£	1992 £
<b>FIXED ASSETS</b>					
Tangible assets	6		995,822		987,242
Investments	7		827		795
			<u>996,649</u>		<u>988,037</u>
<b>CURRENT ASSETS</b>					
Work in progress	8	2,952,500		1,456,109	
Debtors	9	1,238,304		854,637	
Cash at bank and in hand		<u>2,409,332</u>		<u>50,735</u>	
		6,600,136		2,361,481	
CREDITORS: amounts falling due within one year	10	<u>5,674,253</u>		<u>1,085,634</u>	
Net Current Assets			<u>925,883</u>		<u>1,275,847</u>
Total Assets less Current Liabilities			1,922,532		2,263,884
CREDITORS: amounts falling due after more than one year	11		401,651		413,268
PROVISIONS FOR LIABILITIES AND CHARGES	13		<u>9,000</u>		<u>58,921</u>
Net Assets			<u>1,511,881</u>		<u>1,791,695</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	15		1,000		1,000
Profit and loss account	16		<u>1,510,881</u>		<u>1,790,695</u>
			<u>1,511,881</u>		<u>1,791,695</u>



BALANCE SHEET  
as at 31 December 1993

	Notes	£	1993	£	£	1992	£
<b>FIXED ASSETS</b>							
Tangible assets	6		995,822			987,242	
Investments	7		837			801	
			<u>996,659</u>			<u>988,043</u>	
<b>CURRENT ASSETS</b>							
Debtors	9	2,038,268		1,252,344			
Cash at bank and in hand		<u>978,887</u>		<u>1,140</u>			
		3,017,155		1,253,484			
CREDITORS: amounts falling due within one year	10	<u>2,660,446</u>		<u>987,194</u>			
Net Current Assets			<u>356,709</u>			<u>266,290</u>	
Total Assets less Current Liabilities			1,353,368			1,254,333	
CREDITORS: amounts falling due after more than one year	11		401,651			413,268	
PROVISIONS FOR LIABILITIES AND CHARGES	13		<u>8,000</u>			<u>-</u>	
Net Assets			<u>943,717</u>			<u>841,065</u>	
<b>CAPITAL AND RESERVES</b>							
Called up share capital	15		1,000			1,000	
Profit and loss account	16		<u>942,717</u>			<u>840,065</u>	
			<u>943,717</u>			<u>841,065</u>	

The financial statements on pages 6 to 21 were approved by the Board on

17/3/94


R E Parsons  
Director

CASH FLOW STATEMENT  
for the year ended 31 December 1993

	Notes	1993		1992	
		£	£	£	£
Net cash inflow from operating activities	17		2,873,160		1,215,513
Returns on investments and servicing of finance					
Interest received		(85,011)		(43,468)	
Interest paid		174,015		105,445	
Dividends paid		<u>1,600,000</u>		<u>500,000</u>	
Net cash outflow from returns on investments and servicing of finance			1,689,004		561,977
Taxation					
UK taxation paid			121,875		435,917
Investing activities					
Purchase of tangible fixed assets		232,536		177,457	
Purchase of fixed asset investments		32		80	
Sale of tangible fixed assets		<u>(29,753)</u>		<u>(90,448)</u>	
Net cash outflow from investing activities			<u>202,815</u>		<u>87,089</u>
Net cash inflow before financing			<u>859,466</u>		<u>130,530</u>
Financing					
New building society loan		(4,001,619)		-	
Repayment of amounts borrowed		2,269,642		7,386	
Capital element of finance lease rental payments		<u>-</u>		<u>5,446</u>	
Net cash (inflow)/outflow from financing	19		(1,731,977)		12,832
Increase in cash and cash equivalents	18		<u>2,591,443</u>		<u>117,698</u>
			<u>859,466</u>		<u>130,530</u>

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 December 1993

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1 ACCOUNTING POLICIES

Accounting convention

The financial statements are prepared under the historical cost convention as modified by the revaluation of investment properties.

Basis of consolidation

The group financial statements consolidate the financial statements of Johnson Fry Property Limited and all its subsidiary undertakings, with the exception of Johnson Fry Property Sales Limited, made up to 31 December each year. Johnson Fry Property Sales Limited makes up its financial statements to 30 September for commercial reasons.

Turnover

Turnover represents fees, commissions and rental income receivable.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation, less depreciation. Depreciation is provided on all tangible fixed assets, other than investment properties and the company's freehold property (which is a continually maintained Grade I Listed Building), at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Fixtures and fittings - over 5 years  
Motor vehicles - over 3 years

No depreciation or amortisation is provided in respect of the company's freehold property. This property is maintained in a state of good repair and accordingly the directors consider that the life of this asset is so long and residual value so high that any depreciation charge to the profit and loss account would be insignificant.

Investment properties

In accordance with SSAP 19, investment properties are revalued annually and the aggregate surplus or deficit is transferred to a revaluation reserve, unless the total of the revaluation reserve is insufficient to cover the deficit, in which case the amount by which the deficit exceeds the revaluation reserve is charged in the profit and loss account.

Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and leases which result in the transfer to the company of substantially all the risks and rewards of ownership (finance leases) are capitalised as tangible fixed assets at the estimated present value of underlying lease payments and are depreciated in accordance with the above policy. Obligations under such agreements are included in creditors net of finance charges allocated to future periods. The finance element of the rental payments is charged to the profit and loss account over the period of the lease or hire purchase contract so as to produce a constant periodic rate of charge on the outstanding balance of the net obligation in each period.

Rentals paid under other leases (operating leases) are charged against income on a straight line basis over the lease term.

Investments

Fixed asset investments are stated at cost less provision for permanent diminution in value.

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 December 1993 (continued)

1 ACCOUNTING POLICIES (continued)

Work in progress

Cumulative costs incurred on property development, net of amounts transferred to cost of sales and payments received on account, are included in work in progress.

Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to crystallise.

Pension costs

Employees participate in a defined contributions pension scheme. The company's pension contributions are charged against income in the year in which the contributions are made.

Compliance with accounting standards

The financial statements have been prepared in accordance with applicable accounting standards.

2 TURNOVER AND PROFIT

	Turnover		Gross profit	
	1993	1992	1993	1992
	£	£	£	£
Fees and commissions receivable	8,496,262	3,373,132	4,708,540	2,236,594
Rental income	31,789	32,909	28,588	29,546
Property development	2,667,544	-	132,690	-
	<u>11,195,595</u>	<u>3,406,041</u>	<u>4,869,818</u>	<u>2,266,140</u>

Operating profit is stated after charging/  
(crediting):

	1993	1992
	£	£
Depreciation: owned fixed assets	117,226	32,747
Profit on sale of fixed assets	(2,390)	(13,600)
Operating lease rentals		
- other operating leases	<u>59,635</u>	<u>14,279</u>

3 AUDITORS' REMUNERATION

The amount payable to the auditors in respect of audit services provided to the company and its subsidiaries was £18,500 (1992: £13,500).

Amounts paid to BDO Binder Hamlyn by the company in respect of non-audit services was £16,750 (1992: £1,500).

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 December 1993 (continued)

## 4 INTEREST

	1993 £	1992 £
(a) Interest receivable		
From parent undertaking	-	-
From others	68,742	62,714
	<u>68,742</u>	<u>62,714</u>
(b) Interest payable		
To parent undertaking	-	-
To others	173,203	105,445
	<u>173,203</u>	<u>105,445</u>
On loans and overdrafts repayable:		
within 5 years not by instalments	135,204	58,002
wholly or partly in more than 5 years	37,999	47,443
	<u>173,203</u>	<u>105,445</u>

## 5 TAXATION

UK current year taxation		
UK Corporation Tax at 33% (1992: 33%)	733,500	343,437
Deferred taxation	(49,921)	(576)
	<u>683,579</u>	<u>342,861</u>
Prior years		
UK Corporation Tax	(2,116)	(7,830)
Tax on profit on ordinary activities	<u>681,463</u>	<u>335,031</u>

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 December 1993 (continued)

## 6 TANGIBLE FIXED ASSETS

## (a) Summary - Group and Company

	Investment properties £	Freehold Land and buildings £	Fixtures and fittings £	Motor vehicles £	Total £
Cost/valuation					1,045,051
1 January 1993	197,241	653,536	187,670	6,604	(79,367)
Revaluations	(79,367)	-	-	-	231,536
Additions	-	400	216,226	15,910	(45,103)
Disposals	(19,874)	-	(18,624)	(6,605)	
31 December 1993	<u>98,000</u>	<u>653,936</u>	<u>385,272</u>	<u>15,909</u>	<u>1,153,117</u>
Depreciation					57,809
1 January 1993	-	-	54,548	3,261	117,226
Charge for the year	-	-	113,545	3,681	(17,740)
Disposals	-	-	(11,136)	(6,604)	
31 December 1993	<u>-</u>	<u>-</u>	<u>156,957</u>	<u>338</u>	<u>157,295</u>
Net book value					995,822
Owned assets	<u>98,000</u>	<u>653,936</u>	<u>228,315</u>	<u>15,571</u>	<u>995,822</u>
31 December 1993	<u>98,000</u>	<u>653,936</u>	<u>228,315</u>	<u>15,571</u>	<u>995,822</u>
Owned assets	<u>197,241</u>	<u>653,536</u>	<u>133,122</u>	<u>3,343</u>	<u>987,242</u>
31 December 1992	<u>197,241</u>	<u>653,536</u>	<u>133,122</u>	<u>3,343</u>	<u>987,242</u>

The directors are of the opinion that the current market value of the company's freehold office premises in Bath is approximately £300,000. This property is shown in the balance sheet on a cost basis at £553,936. No adjustment has been made to reflect the current market value as there is no intention to dispose of the building in the foreseeable future and the directors do not believe that there has been a permanent diminution in value.

## (b) Analysis of investment properties

	Group and Company 1993 £	1992 £
Net book value	35,131	63,418
Freehold	62,869	113,823
Long leasehold	<u>98,000</u>	<u>197,241</u>

The directors have reviewed the valuation of investment properties as at 31 December 1993 and are of the opinion that the market value has fallen to £98,000. The carrying value of investment properties has been adjusted accordingly.

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 December 1993 (continued)

6 TANGIBLE FIXED ASSETS (continued)

(c) Capital commitments

At 31 December 1993 the directors had contracted but not provided for capital expenditure of £5,000 (1992: £8,460). There was no outstanding capital expenditure authorised but not contracted as at 31 December 1993 (1992: £Nil).

7 FIXED ASSET INVESTMENTS - Company

(a) Summary

	Group £	Company £
Subsidiary undertakings at cost (note 7 (b))		
1 January 1993	-	6
Additions	-	4
31 December 1993	-	10
Other unlisted investments at cost		
1 January 1993	795	795
Additions	32	32
31 December 1993	827	827

(b) Subsidiary undertakings

The company holds more than 10% of the share capital of the following companies:

Company	Country of Registration	Class of shares held	%
Oulton Drive Residential Estate Limited	England and Wales	Ordinary	100
Tenwood Properties Limited	England and Wales	Ordinary	100
Johnson Fry Property Sales Limited	England and Wales	Ordinary	100
Manco Property Management Limited (Dormant)	England and Wales	Ordinary	100
Hullavington New Town Limited (Dormant)	England and Wales	Ordinary	100

Oulton Drive Residential Estate Limited is developing an estate of 80 homes at Rothwell, Leeds for onward sale, in five phases.

Tenwood Properties Limited (trading as 'Letco') acts as letting agents for a number of the property companies managed by Johnson Fry Property Limited.

Johnson Fry Property Sales Limited has purchased various development sites of residential properties, the development and sale of which constitutes its principal activity.

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 December 1993 (continued)

	1993 £	1992 £
8 WORK IN PROGRESS - Group		
Long term contract balances	<u>2,952,500</u>	<u>1,456,109</u>

Work in progress balances include 'capitalised' interest of £Nil (1992: £176,356).

	1993 £	Group 1992 £	1993 £	Company 1992 £
9 DEBTORS				
Trade debtors	887,546	555,122	878,890	530,532
Amounts owed by subsidiary undertakings	-	-	879,343	470,524
Other debtors	183,674	68,271	126,572	20,044
Prepayments and accrued income	<u>167,084</u>	<u>231,244</u>	<u>153,463</u>	<u>231,244</u>
	<u>1,238,304</u>	<u>854,637</u>	<u>2,038,268</u>	<u>1,252,344</u>

Prepayments and accrued income includes £129,767 (1992: £188,360) in respect of amounts paid to secure future management and purchasing fee income. These costs are being written off over five years in proportion to contracted income receivable.

Amounts falling due after more than one year and included above are:

Prepayments and accrued income	<u>71,174</u>	<u>129,767</u>	<u>71,174</u>	<u>129,767</u>
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NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 December 1993 (continued)

10	CREDITORS: amounts falling due within one year	1993 £	Group 1992 £	1993 £	Company 1992 £
	Building society loan (note 12)	1,749,658	6,064	7,554	6,064
	Bank overdraft	-	232,846	-	232,846
	Trade creditors	328,188	92,872	288,534	27,626
	Amounts owed to parent undertaking	45,324	140,296	45,325	140,296
	Amounts owed to subsidiary undertakings	-	-	4	-
	Corporation tax	613,552	4,043	545,052	(9,646)
	Other taxes and social security costs	407,262	133,471	370,521	123,966
	Other creditors	1,157,509	443,322	63,466	443,322
	Accruals and deferred income	1,372,760	32,720	1,339,990	22,720
		<u>5,674,253</u>	<u>1,085,634</u>	<u>2,660,446</u>	<u>987,194</u>

The bank overdraft is secured by way of a fixed charge over a subsidiary undertaking's property at Oulton Drive, Rothwell, Leeds and a fixed and floating charge over the assets of Johnson Fry Property Limited.

A subsidiary undertaking holds tenants' deposits on behalf of companies for which it acts as an agent totalling £1,332,424 (1992: £412,170). These are held in a separate clients' account and have been excluded from the financial statements.

11	CREDITORS: amounts falling due after more than one year				
	Building society loans (note 12)	<u>401,651</u>	<u>413,268</u>	<u>401,651</u>	<u>413,268</u>
12	LOANS				
	(a) Analysis				
	Building society loans				
	Secured	<u>2,151,309</u>	<u>419,332</u>	<u>409,205</u>	<u>419,332</u>

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 December 1993 (continued)

## 12 LOANS (continued)

## (b) Maturity

## Building society loans

The loans are repayable as follows:

	Group	Company
	1993 £	1992 £
Not wholly repayable within five years:		
repayable by instalments		
- due within five years	44,975	36,693
- due in more than five years	364,230	382,639
	<u>409,205</u>	<u>419,332</u>
Wholly repayable within five years:		
not repayable by instalments	1,742,104	-
	<u>2,151,309</u>	<u>419,332</u>

## (c) Security

The building society loan not wholly repayable within five years is secured by a fixed charge over the company's premises at 17 Gay Street, Bath.

The building society loan repayable within five years is held by Johnson Fry Property Sales Limited and is secured by fixed and floating charges over all of the property and assets of that company. The loan is repayable on demand or at latest on expiry of the term on 30 November 1994.

## 13 PROVISIONS FOR LIABILITIES AND CHARGES

	Group Deferred tax (Note 14) £	Company Deferred tax (Note 14) £
1 January 1993	58,921	-
Transfer to profit and loss account	(49,921)	8,000
31 December 1993	<u>9,000</u>	<u>8,000</u>

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 December 1993 (continued)

## 14 DEFERRED TAX

Deferred tax provided in the financial statements, and the total potential tax liability including the amounts for which provision has been made, are as follows:

Group	Provided		Potential	
	1993 £	1992 £	1993 £	1992 £
Other timing differences	<u>9,000</u>	<u>58,921</u>	<u>9,000</u>	<u>58,921</u>

## 15 SHARE CAPITAL

Authorised and allotted share capital	Authorised		Allotted, called up and fully paid	
	1993 Number	1992 Number	1993 £	1992 £
£1 Ordinary	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

## 16 PROFIT AND LOSS ACCOUNT

	Group £	Company £
1 January 1993	1,790,695	840,065
Retained (loss)/profit for the year	<u>(279,814)</u>	<u>102,652</u>
31 December 1993	<u>1,510,881</u>	<u>942,717</u>

Johnson Fry Property Limited has not presented its own profit and loss account as permitted by Section 230(3) of the Companies Act 1985. A profit of £1,702,652 (1992: £666,660) after taxation is dealt with in the financial statements of the holding company.

## 17 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	1993 £	1992 £
Operating profit	2,106,110	1,041,773
Depreciation	117,226	32,747
Write-down of investment properties	79,367	-
(Increase) in work in progress	(1,496,391)	(110,264)
(Increase)/decrease in debtors	(399,936)	397,783
Increase/(decrease) in creditors	2,564,146	(191,813)
(Increase)/decrease in balance with parent undertaking	(94,972)	58,887
Profit on disposal of fixed assets	<u>(2,390)</u>	<u>(13,600)</u>
Net cash inflow from continuing operating activities	<u>2,873,160</u>	<u>1,215,513</u>

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 December 1993 (continued)

## 18 CASH AND CASH EQUIVALENTS

	1993 £	1992 £
BALANCE OF CASH AND CASH EQUIVALENTS		
Cash at bank and in hand	2,409,332	50,735
Bank overdrafts	-	(232,846)
	<u>2,409,332</u>	<u>(182,111)</u>
CHANGE IN THE BALANCE OF CASH AND CASH EQUIVALENTS		
Net cash inflow for year	<u>2,591,443</u>	<u>117,698</u>

## 19 ANALYSIS OF CHANGES IN FINANCING DURING THE YEAR

	Share capital (including premium) £	Loans and finance lease obligations £
1 January 1992	1,000	432,164
Cash outflows from financing	-	(12,832)
1 January 1993	1,000	419,332
Cash inflows from financing	-	1,731,977
31 December 1993	<u>1,000</u>	<u>2,151,309</u>

20 RECONCILIATION OF MOVEMENTS IN GROUP  
SHAREHOLDERS' FUNDS

	1993 £	1992 £
Profit for the financial year	1,320,186	664,011
Dividends	<u>1,600,000</u>	<u>500,000</u>
Net addition to shareholders' funds	(279,814)	164,011
Opening shareholders' funds	1,791,695	1,627,684
Closing shareholders' funds	<u>1,511,881</u>	<u>1,791,695</u>

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 December 1993 (continued)

## 21 FINANCIAL COMMITMENTS

## a) Operating leases

At 31 December 1993 the group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings 1993 £	Land and buildings 1992 £
Expiry date:	4,400	-
Within one year	75,200	-
Over five years	<u>79,600</u>	<u>-</u>

The company's leases of land and buildings expiring in over five years are subject to rent reviews at periods of four and five years.

## b) Contingent liabilities

The company has issued guarantees to the National House Building Council totalling £29,925 (1992: £29,925) and to Norfolk County Council of £5,000 (1992: £5,000).

## 22 DIRECTORS

## (a) Emoluments

The emoluments of directors of the company were:

	1993 £	1992 £
Other emoluments (including pension contributions and benefits-in-kind)	<u>275,819</u>	<u>201,858</u>

## (b) Bandings

Fees and other emoluments disclosed above (excluding pension contributions) include amounts paid to:

	1993 £	1992 £
The chairman	<u>12,500</u>	<u>10,625</u>
The highest-paid director	<u>108,919</u>	<u>93,783</u>

Other directors' emoluments (excluding pension contributions) were in the following ranges:

	Number	Number
£0 - £5,000	1	1
£30,001 - £35,000	-	2
£65,001 - £70,000	1	-
£85,000 - £90,000	<u>1</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 December 1993 (continued)

## 23 EMPLOYEES

## (a) Number of employees

The average weekly number of persons (including directors) employed by the group during the year was 55 (1992: 25).

(b) Employment costs	1993 £	1992 £
Wages and salaries	1,415,339	736,364
Social security costs	135,393	61,439
Other pension costs (note 24)	27,802	18,932
	<u>1,578,534</u>	<u>816,735</u>

## 24 PENSIONS

Employees of the company participate in the Johnson Fry Pension Scheme. Details of that scheme are shown in the financial statements of the parent undertaking.

## 25 ULTIMATE PARENT UNDERTAKING

The directors regard Johnson Fry Holdings PLC, a company registered in England and Wales, as the company's ultimate parent undertaking.

Copies of Johnson Fry Holdings PLC's group accounts are available to the public from The Registrar of Companies, Companies House, Cardiff.