Company Registration No. 06160290 (England and Wales)

FOXTONS HOLDINGS LIMITED

ANNUAL REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2007

FOXTONS HOLDINGS LIMITED

DIRECTORS AND ADVISERS

Directors	M R Brown	(Appointed 14 June 2007)
	J Cronly	(Appointed 17 April 2007)
	S Curzio	(Appointed 17 April 2007)
	J Ogland	(Appointed 24 May 2007)
Secretary	K Daly	
Company number	06160290	
Registered office	Building One, Chiswick Park 566 Chiswick High Road London W4 5BE	
Registered auditors	Shipleys LLP 10 Orange Street Haymarket London WC2H 7DQ	

FOXTONS HOLDINGS LIMITED

CEO STATEMENT

FOR THE PERIOD ENDED 31 DECMEBER 2007

The New Foxtons Group

The new Foxtons Group was created in June 2007, following the sale of the original business by its founder The change of ownership had no operating impact and the new Group has two principal operating divisions - Foxtons Limited, handling sales and lettings, and Alexander Hall Associates Limited, handling mortgages

2007 – a record year

2007 was a record year for the Group Our revenues grew by 18 6% on a like-for-like basis. This was despite the credit crunch, which impacted the sales market from June, and the introduction of HIPs in August 2007, which had a disruptive effect on the market for the remainder of the year

We continued to invest in our world class systems and brand marketing campaigns to maintain, and indeed build, our position as London's leading property company

New offices were opened in Pinner, Dulwich and Woking and we are more than pleased with their performance to date – the Foxtons model demonstrably enables new offices to establish themselves more rapidly than those of our competitors

Foxtons

The result was that Foxtons grew strongly, raising its turnover to £108 million and increasing its EBITDA This was despite the effect of the credit crunch, which adversely impacted sales commissions in the last two quarters of 2007 Foxtons also maintained its reputation for innovation and customer service by introducing free HIPs in August 2007, accepting the significant cost involved in order to minimise the impact of uncertainty this unwelcome regulation brings for clients Foxtons now offers high quality HIPs at good prices through low-cost intermediaries in return for commissions which have a positive effect on margins.

Alexander Hall

For Alexander Hall, 2007 was also a record year, and the business grew its turnover by 50 6% to £15 5 million and doubled its EBITDA to £4 8 million

Looking Forward to 2008

2008 has been dominated by the impact of the credit crunch on the UK economy generally and the financial and property markets in particular The cost of credit has increased, and the availability of credit has decreased The resulting lack of liquidity in mortgage markets and the unprecedented levels of uncertainty have clearly and adversely affected revenues for both Foxtons and Alexander Hall in the first quarter of 2008, and we expect the difficult trading conditions to continue for some time

None of this has been helpful In building our Group, however, we deliberately established a model capable of taking us through the property cycle, not least through the long-standing emphasis we have placed on developing our lettings, as well as our sales business In addition, our operating systems, which are unique to our industry, give us an advantage in cost efficiency as well as customer service Together with our brand strength, they account for our differentiation in the market.

As a result, Foxtons lettings business has continued to show high growth both in volumes which were up 16% in long lets in the first quarter of this year, and in rental values, which were up 6% over the same period This has led to over 22% revenue growth for long lets in the first quarter, partially off-setting the fall in revenues from Sales

We have also achieved significant cost savings across the Group in response to the market downturn Consequently, the Group continues to be profitable on an EBITDA basis, albeit at a reduced level than for the same period in 2007

Notwithstanding the difficult trading environment, we have deliberately retained our underlying structure which supports our differentiation and positions us strongly to exploit the eventual return of the sales market when liquidity and certainty returns We have also continued to build our network, successfully opening a new office in Camden and continuing to acquire leases with new sites at Streatham, Temple Fortune and North Finchley Further sites are being negotiated in Twickenham, Barnet, Brondesbury, Stratford and Crystal Palace

The acquisition of Foxtons Group last year was highly leveraged, and we therefore have a significant interest charge However, much of the interest is non-cash, particularly since the Group opted to utilise its right to capitalise the interest on the mezzanine debt in the first quarter of this year

Looking ahead, we see the pressure on our sector continuing Equally, in the longer term, we see the prospects for residential property, with the fundamental drivers of demand and supply, being thoroughly positive We are confident of Foxtons ability not just to trade through the difficult times, but to emerge relatively stronger to our competitors Indeed, the signs of our improving our market position are already evident We have a powerful mix of highly motivated, experienced agents, a leading brand and well-developed relationships with thousands of buyers and sellers The difficult market conditions will not continue forever, and we believe we are extremely well positioned for the future

FOXTONS HOLDINGS LIMITED

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FOXTONS HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2007

The dırectors present theır report and financıal statements for the perıod ended 31 December 2007

Directors
The followıng dırectors have held office sınce 14 March 2007

M R Brown	(Appoınted 14 June 2007)
J Cronly	(Appoınted 17 Aprıl 2007)
S Curzıo	(Appoınted 17 Aprıl 2007)
J Ogland	(Appoınted 24 May 2007)

Principal actıvities and review of the busıness
The prıncıpal actıvıty of the company durıng the perıod was that of an ınvestment holdıng company

The company was ıncorporated on 14 March 2007 as DMWSL 559 Lımıted, and changed ıts name to Foxtons Holdıngs Lımıted on 23rd July 2007

The prıncıpal actıvıtıes of the group durıng the perıod derıves from the group's two tradıng companıes, Foxtons Lımıted and Alexander Hall Assocıates Lımıted These two companıes were acquıred by the group durıng the perıod as detaıled ın note 10 to these financıal statements Foxtons Lımıted contınues to be that of an estate and property lettıngs agency Alexander Hall Assocıates Lımıted contınues to be that of a mortgage broker and financıal advısor

The results for the perıod were consıdered satısfactory by the dırector The year 2007 was Foxtons' most successful year to date wıth turnover ıncreasıng by 15% on the prevıous year New offices were opened ın Pınner, Dulwıch and Wokıng Thıs performance was achıeved despıte the effects of the credıt crunch and Home Informatıon Packs whıch adversely ımpacted on sales commıssıons and profitabılıty for the last quarter of 2007 Both these factors are contınuıng to ımpact results goıng ınto 2008 Nevertheless, we are pleased to say that our lettıngs busıness has achıeved sıgnıficant growth ın 2007 whıch has contınued ınto 2008 2007 was a successful year for Alexander Hall Assocıates Lımıted wıth turnover ıncreasıng by 50 6% and profit before tax ıncreasıng by 114 2% year-on-year The number of advısors grew ın 2007 from 71 to 93 assısted by an extensıve traınee recruıtment programme New advıser teams opened ın Dulwıch, Pınner, Shoredıtch, Kıngston, Wımbledon and Balham The mortgage market has clearly been affected by the credıt crunch from quarter 4, 2007 whıch has contınued ınto 2008 The Company has maınly been affected ın the "Adverse" market, although thıs makes up only a small element of ıts busıness

Strategy
The group's overrıdıng objectıve ıs to achıeve attractıve and sustaınable rates of growth and returns through organıc growth The group aıms to achıeve thıs objectıve by ınvestıng ın ıts two tradıng companıes Thıs ıncludes openıng further offices, leadıng the market wıth a fresh and ınnovatıve approach to marketıng, ınvestıng ın ıt's employees and maıntaınıng a sound financıal strategy

Prıncıpal rısks and uncertaıntıes
The prıncıpal rısk to the group ıs that of a contınued tıghtenıng of the avaılabılıty of credıt ın the mortgage market

Key performance indicators are derived from the activities of the group's two trading companies, as detailed below

Foxtons Limited	
Turnover - % increase on year	14 7%
Net increase in the number of new offices	3 offices

The value of properties sold and lettings deals completed continues to increase year on year

Alexander Hall Associates Limited	
Turnover - % increase on year	50 6%
Net increase in the number of new advisers	22 advisers

2007 has been a successful year for Alexander Hall Associates Limited with an increase in the geographical spread of the business This should result in an increase in turnover in future years

Results and dividends
The consolidated profit and loss account for the period is set out on page 6

Financial risk management objectives and policies
The group's principal financial instruments comprise bank balances, trade debtors, trade creditors, loans to the group and finance lease agreements The purpose of these instruments are to raise funds and finance the group's operations

Due to the nature of the financial instruments, used by the group, there is no exposure to price risk The group's approach to managing other risks applicable to the financial instruments concerned is shown below

In respect of bank balances the liquidity risk is managed by maintaining sufficient liquid resources to meet liabilities as they fall due

In respect of trade debtors, these are managed in terms of credit and cash flow risk by the regular monitoring of amounts outstanding

In respect of trade creditors liquidity risk is managed by ensuring that sufficient funds are available to meet amounts payable as they fall due

In respect of loans these comprise loans from financial institutions, shareholders and third parties The interest rates on the loans from financial institutions are variable The group manages the liquidity risk by ensuring there are sufficient funds available to meet the repayments as they fall due The loans from shareholders are fixed rate and are repayable at the end of the loan term The loans from third parties are fixed rate and are repayable only when certain financial targets have been met

Future developments
It is unclear how long the current economic uncertainties will continue for However, it is anticipated that at some point during 2009 they will be resolved and the market will improve

Employee involvement
The policy of providing employees with information about the company has been continued through the use of internal media

FOXTONS HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2007

Disabled persons
The group gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person. Where existing employees become disabled, it is the company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

Auditors
In accordance with section 385 of the Companies Act 1985, a resolution proposing that Shipleys LLP be reappointed as auditors of the company will be put to the Annual General Meeting

Directors' responsibilities
The directors are responsible for preparing the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the group and of the profit or loss of the group for that period. In preparing those financial statements, the directors are required to

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

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and the group and 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

Statement of disclosure to auditors
So far as the directors are aware, there is no relevant audit information of which the group's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the group's auditors are aware of that information

On behalf of the board

M R Brown
Director
01/05/2008

FOXTONS HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF FOXTONS HOLDINGS LIMITED

We have audited the group and parent company financial statements (the "financial statements") of Foxtons Holdings Limited for the period ended 31 December 2007 set out on pages 6 to 24 These financial statements have been prepared under the accounting policies set out therein

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985 Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of directors and auditors
The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland)

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985 We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements

In addition we report to you if, in our opinion, 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 other transactions is not disclosed

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it

Basis of audit opinion
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 group's and 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

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE SHAREHOLDERS OF FOXTONS HOLDINGS LIMITED

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and parent company's affairs as at 31 December 2007 and of the group's loss for the period then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements

Shipleys LLP

Shipleys LLP

01/05/2008

Chartered Accountants

Registered Auditor

10 Orange Street
Haymarket
London

WC2H 7DQ

FOXTONS HOLDINGS LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 31 DECEMBER 2007

	Notes		9 Month Period ended 31 December 2007 £
Turnover			
Continuing operations		-	
Acquisitions	2	70,463,473	
			70,463,473
Administrative expenses			(66,503,471)
Operating profit	4		3,960,002
Continuing operations		-	
Acquisitions		3,960,002	
			3,960,002
Other interest receivable and similar income			1,545,343
Interest payable and similar charges	5		(20,299,332)
Loss on ordinary activities before taxation			(14,793,987)
Tax on (loss)/profit on ordinary activities	6		(76,222)
Loss on ordinary activities after taxation			(14,870,209)

There are no recognised gains and losses other than those passing through the profit and loss account

FOXTONS HOLDINGS LIMITED

BALANCE SHEETS

AS AT 31 DECEMBER 2007

	Notes	Group 2007 £	Company 2007 £
Fixed assets			
Intangible assets	8	339,317,443	-
Tangible assets	9	16,771,142	-
Investments	10	-	77,160,212
		356,088,585	77,160,212
Current assets			
Debtors	11	16,985,951	630,000
Cash at bank and in hand		11,036,263	-
		28,022,214	630,000
Creditors: amounts falling due within one year	12	(19,977,650)	(48,818)
Net current assets		8,044,564	581,182
Total assets less current liabilities		364,133,149	77,741,394
Creditors: amounts falling due after more than one year	13	(352,881,636)	(51,700,820)
Provisions for liabilities	14	(195,055)	-
		11,056,458	26,040,574
Capital and reserves			
Called up share capital	15	259,267	259,267
Share premium account	16	25,667,400	25,667,400
Profit and loss account	16	(14,870,209)	113,907
Shareholders' funds	17	11,056,458	26,040,574

Approved by the Board and authorised for issue on 01/05/2008

M R Brown

Director

FOXTONS HOLDINGS LIMITED

CONSOLIDATED CASH FLOW STATEMENT

FOR THE PERIOD ENDED 31 DECEMBER 2007

		9 Month Period ended 31 December 2007
	£	£
Net cash inflow/(outflow) from operating activities		19,736,128
Returns on investments and servicing of finance		
Interest received	1,545,343	
Interest paid	(20,178,785)	
Interest on hire purchase contracts	(120,547)	
Net cash outflow for Returns on investments and servicing of finance		(18,753,989)
Taxation		(9,614,310)
Capital expenditure		
Payments to acquire fixed assets	(4,053,424)	
Receipts from sale of tangible fixed assets	618,002	
Net cash outflow for Capital expenditure		(3,435,422)
Acquisitions		
Cost of acquisitions		(334,128,564)
Net cash outflow before management of liquid resources and financing		(346,196,157)
Financing		
Issue of ordinary share capital	25,926,667	
Hire purchase contracts	(1,003,659)	
New long term bank loans	232,824,271	
Other new long term loans	99,485,142	
Net cash inflow/(outflow) from financing		357,232,420
Increase/(decrease) in cash in the period		**11,036,263**

FOXTONS HOLDINGS LIMITED

CONSOLIDATED CASH FLOW STATEMENT

FOR THE PERIOD ENDED 31 DECEMBER 2007

1 Reconciliation of operating profit to net cash outflow from operating activities

	2007 £
Operating profit/(loss)	3,960,002
Depreciation of tangible assets	1,803,323
Amortisation of intangible assets	9,484,548
Loss on disposal of fixed assets	106,091
(Increase)/decrease in debtors	4,231,386
Increase/(decrease) in creditors	150,778
Net cash outflow from operating activities	19,736,128

2 Analysis of net debt

	14 March 2007 £	Cash flow £	Acquisition excluding cash and overdrafts £	31 December 2007 £
Net cash				
Cash	-	11,036,263		11,036,263
Overdraft	-	-		-
		11,036,263		
Hire purchase contracts		1,003,659	(3,278,161)	(2,274,502)
Bank borrowings > 1 year		(232,824,271)	(19,455,000)	(252,279,271)
Other borrowings > 1 year	-	(99,485,142)	-	(99,485,142)
TOTAL	-	(320,269,491)	(22,733,161)	(343,002,652)

3 Reconciliation of net cash flow to movement in net debt

	£	£
Increase in cash in the period	**11,036,263**	
Cashflow from movement in debt	(331,305,754)	
Acquisition excluding cash and overdrafts	(22,733,161)	
Change in net debt		(343,002,652)
Net debt at 14 March 2007		-
Net debt at 31 December 2007		(343,002,652)

1 Accounting policies

1.1 Accounting convention
The financial statements are prepared under the historical cost convention

1.2 Compliance with accounting standards
The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

1.3 Basis of consolidation
The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertakings made up to 31 December 2007 The results of subsidiaries sold or acquired are included in the profit and loss account up to, or from the date control passes Intra-group sales and profits are eliminated fully on consolidation

1.4 Turnover
Turnover represents amounts receivable for goods and services net of VAT and trade discounts

1.5 Goodwill
Acquired goodwill is written off in equal annual instalments over its estimated useful economic life

1.6 Tangible fixed assets and depreciation
Tangible fixed assets are stated at cost less depreciation Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows

Land and buildings Leasehold	Over the term of the lease
Computer equipment	20%-25% Straight line
Fixtures, fittings & equipment	20%-25% Straight line
Motor vehicles	25% Straight line

1.7 Leasing and hire purchase commitments
Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives Obligations under such agreements are included in creditors net of the finance charge allocated to future periods The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period

Rentals payable under operating leases are charged against income on a straight line basis over the lease term

1.8 Investments
Fixed asset investments are stated at cost less provision for diminution in value

1.9 Deferred taxation
Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes The deferred tax balance has not been discounted

1 Accounting policies **(continued)**

1.10 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction All differences are taken to profit and loss account

1.11 Financial instruments

The group's principal financial intruments comprise bank balances, trade creditors, trade debtors and loans to the group The main purpose of these instruments is to raise funds for and to finance the group's operations The group holds or issues financial instruments in order to achieve three main objectives, being

* to finance its operations

* to manage its exposure to interest and currency risks arising from its operations and from its sources of finance, and

* for trading purposes

In addition, various financial instruments arise directly from the group's operations

Transactions in financial instruments result in the company assuming or transferring to another party one or more of the financial risks described below

Interest rate risk

In respect of loans these comprise loans from shareholders and third parties The interest rate on the loans from shareholders is fixed, whilst on loans from third parties it is variable

Credit risk

The group monitors credit risk closely and considers that its current policies of credit checks meets its objectives of managing exposure to credit risk The group has no significant concentrations of credit risk Amounts shown in the balance sheet best represent the maximum credit risk exposure in the event other parties fail to perform their obligations under financial instruments
Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits

Liquidity risk

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due

2 Segmental analysis by class of business

The analysis by class of business of the group's turnover, loss before taxation and net assets is set out as below

Turnover

	2007 £
Class of business	
Estate and lettings agency	61,376,998
Mortgage broker commission	9,086,475
	70,463,473

100% of turnover is generated from the group's principal activities originating in the UK

Loss before taxation

	2007 £
Class of business	
Estate and lettings agency	14,467,120
Mortgage broker commission	326,867
	14,793,987

Net assets

	2007 £
Class of business	
Estate and lettings agency	8,569,510
Mortgage broker commission	2,486,948
	11,056,458

3 Cost of sales and net operating expenses

The total figures for continuing operations in 2007 include the following amounts relating to acquisitions cost of sales £-, distribution costs £-, administrative expenses £66,503,471 and other operating income £-

4 Operating loss

	2007
	£
Operating loss is stated after charging	
Amortisation of intangible assets	9,484,548
Depreciation of tangible assets	1,803,323
Loss on disposal of tangible assets	106,091
Operating lease rentals	4,181,380

Auditors' remuneration

Fees payable to the group's auditor for the audit of the group's annual accounts (company £-, 2007 £-)	23,000
Fees payable to the group's auditor for non-audit services	10,115
	33,115

5 Interest payable

	2007
	£
On bank loans and overdrafts	14,719,863
Hire purchase interest	120,547
Other interest	5,458,922
	20,299,332

6 Taxation

	2007
	£
Domestic current year tax	
U K corporation tax	60,831
Current tax charge	60,831
Deferred tax	
Deferred tax charge/credit current year	15,391
	76,222

Factors affecting the tax charge for the period	
Loss on ordinary activities before taxation	(14,793,987)
Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30 00%	(4,438,196)
Effects of	
Non deductible expenses	82,007
Capital allowances in excess of depreciation	(173,080)
Tax liability of group companies not relieved by tax losses	4,590,100
	4,499,027
Current tax charge	60,831

7 Profit for the financial period

As permitted by section 230 of the Companies Act 1985, the holding company's profit and loss account has not been included in these financial statements The profit for the financial period is made up as follows

	2007
	£
Holding company's results for the financial period	113,907

8 Intangible fixed assets

Group

	Goodwill £
Cost	
At 14 March 2007	-
Additions	348,801,991
At 31 December 2007	348,801,991
Amortisation	
At 14 March 2007	-
Charge for the period	9,484,548
At 31 December 2007	9,484,548
Net book value	
At 31 December 2007	339,317,443

9 Tangible fixed assets

Group

	Land and buildings Leasehold	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 14 March 2007	-	-	-	-	-
Additions	10,985,109	2,350,793	3,611,427	2,351,228	19,298,557
Disposals	(207,550)	(35,064)	-	(481,479)	(724,093)
At 31 December 2007	10,777,559	2,315,729	3,611,427	1,869,749	18,574,464
Depreciation					
At 14 March 2007	-	-	-	-	-
Charge for the period	450,122	347,703	723,023	282,474	1,803,322
At 31 December 2007	450,122	347,703	723,023	282,474	1,803,322
Net book value					
At 31 December 2007	10,327,437	1,968,026	2,888,404	1,587,275	16,771,142

Included above are assets held under finance leases or hire purchase contracts as follows

	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Net book values				
At 31 December 2007	-	2,166,162	486,992	2,653,154
Depreciation charge for the period				
31 December 2007	-	367,379	162,549	529,928

10 Fixed asset investments

Company

	Shares in group undertakings	Loans to group undertakings	Total
	£	£	£
Cost			
At 14 March 2007	-	-	-
Additions	22,984,414	54,175,798	77,160,212
At 31 December 2007	22,984,414	54,175,798	77,160,212
Net book value			
At 31 December 2007	22,984,414	54,175,798	77,160,212

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet

Holdings of more than 20%
The company holds more than 20% of the share capital of the following companies

Company	Country of registration or incorporation	Shares held Class	%
Subsidiary undertakings			
Foxtons Intermediate Holdings 1 Ltd	UK	Ordinary	100

The principal activity of these undertakings for the last relevant financial year was as follows

	Principal activity
Foxtons Intermediate Holdings 1 Ltd	Investment holding company

10 Fixed asset investments **(continued)**

The new shell company, Foxtons Intermediate Holdings 1 Ltd was acquired on 15th June 2007 with the initial injection of cash in that company of £22,984,414, as represented by

	£
Cash	22,984,414
Net assets	22,984,414

Group

On 15 June 2007 the group acquired 100% of the issued ordinary share capital in the following companies

Foxtons Intermediate Holdings 1 Ltd
Foxtons Intermediate Holdings 2 Ltd
Foxtons Intermediate Holdings 3 Ltd
Foxtons Group Ltd
Foxtons Ltd
Alexander Hall Associates Ltd
Alexander Hall Direct Ltd

The total consideration paid for the above acquisitions amounted to £355,545,000 plus legal fees amounting to £2,320,448 Goodwill arising on the above acquisitions amounted to £348,801,991

The fair value of the net assets of material acquisitions made during the period by the group is as detailed below

Foxtons Group Limited

	Net book value at acquisition £	Fair value adjustments £	Fair value at acquisition £
Tangible fixed assets	15,215,133	-	15,215,133
Debtors	20,854,239	-	20,854,239
Bank	23,736,881	-	23,736,881
Creditors	(28,009,635)	-	(28,009,635)
Long term creditors	(22,733,161)	-	(22,733,161)
Total net assets	9,063,457	-	9,063,457

11 Debtors

	Group 2007 £	Company 2007 £
Trade debtors	12,888,469	-
Amounts owed by group undertakings	-	605,000
Other debtors	173,192	25,000
Prepayments and accrued income	3,581,140	-
Deferred tax asset (see note 14)	343,150	-
	16,985,951	630,000

12 Creditors : amounts falling due within one year

	Group 2007 £	Company 2007 £
Net obligations under finance lease and hire purchase contracts	1,157,279	-
Trade creditors	2,788,548	-
Amounts owed to group undertakings	-	48,818
Corporation tax	2,807,512	-
Taxes and social security costs	2,913,373	-
Other creditors	15,000	-
Accruals and deferred income	10,295,938	-
	19,977,650	48,818

13 Creditors · amounts falling due after more than one year

	Group 2007 £	Company 2007 £
Bank loans	252,279,271	-
Other loans	99,485,142	51,700,820
Net obligations under finance leases and hire purchase agreements	1,117,223	-
	352,881,636	51,700,820
Loan maturity analysis		
Repayable in more than five years	351,764,413	51,700,820
Net obligations under finance leases and hire purchase contracts		
Repayable between one and five years	2,274,502	-
	2,274,502	-
Included in liabilities falling due within one year	(1,157,279)	-
	1,117,223	-

Bank loans are secured by debentures with a fixed and floating charge over the assets of Foxtons Intermediate Holdings 3 Ltd, Foxtons Group Ltd, Foxtons Ltd and Alexander Hall Associates Ltd These companies have provided cross-guarantees over their assets as security against the bank loans

Other loans amounting to £47,784,322 (including accrued interest) are secured by a fixed and floating charge over the assets of Foxtons Intermediate Holdings 1 Ltd

Bank loans are due repayable in stages during 2015 and 2016 Interest is payable on these loans at the rate of LIBOR + mark up as prescribed in the loan agreement

Loan issue costs of £9,978,607 are accounted for as a reduction in the proceeds of the capital instrument (bank loans) The loan issue costs will be charged to the profit and loss account over the life of the loan

Other loans are made up as follows

Loans from shareholders amounting to £44,518,137 (including accrued interest) are due repayable in 2017 Interest is payable on this loan at fixed rate of 15%

Loans from directors amounting to £3,266,185 (including accrued interest) are due repayable in 2017 Interest is payable on this loan at fixed rate of 15%

Unsecured Loan notes to third parties amounting to £51,700,820 (including accrued interest) are repayable when certain financial targets have been met This is not expected to occur for at least 12 months from the year end date Interest is payable on this loan at fixed rate of 6 225%

14 Provisions for liabilities and charges

Group

	Other
	£
Provision for repayment of commissions	195,055
Balance at 31 December 2007	195,055

The deferred tax asset (included in debtors, note 11) is made up as follows:

	Group 2007	Company 2007
	£	£
Decelerated capital allowances	(343,150)	-

15 Share capital

	2007
	£
Authorised	
26,666,667 Ordinary shares of 1p each	266,667
Allotted, called up and fully paid	
25,926,667 Ordinary shares of 1p each	259,267

During the period the company issued 25,926,667 ordinary shares of £0 01 each which were allotted and fully paid at a premium of £0 99 each, for cash consideration to provide working capital

16 Statement of movements on reserves

Group

	Share premium account £	Profit and loss account £
Loss for the period	-	(14,870,209)
Premium on shares issued during the year	25,667,400	-
Balance at 31 December 2007	25,667,400	(14,870,209)

Company

	Share premium account £	Profit and loss account £
Profit for the period	-	113,907
Premium on shares issued during the year	25,667,400	-
Balance at 31 December 2007	25,667,400	113,907

17 Reconciliation of movements in shareholders' funds

Group	**2007** **£**
Loss for the financial period	(14,870,209)
Proceeds from issue of shares	25,926,667
Net addition to shareholders' funds	11,056,458
Opening shareholders' funds	-
Closing shareholders' funds	11,056,458

Company	**2007** **£**
Profit for the financial period	113,907
Proceeds from issue of shares	25,926,667
Net addition to shareholders' funds	26,040,574
Opening shareholders' funds	-
Closing shareholders' funds	26,040,574

18 Financial commitments

At 31 December 2007 the group had annual commitments under non-cancellable operating leases as follows

	Land and buildings 2007 £	**Other 2007 £**
Expiry date		
Within one year	79,500	507,072
Between two and five years	516,072	2,028,288
In over five years	4,494,033	-
	5,089,605	2,535,360

FOXTONS HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2007

19 Directors' emoluments	**2007**
	£
Remuneration	478,400
The highest paid director	478,400

20 Transactions with directors

During the period, M Brown, Director, made a loan to Foxtons Intermediate Holdings 1 Limited, amounting to £3,018,747 and interest payable for this loan amounted to £247,438 which is due to be repaid in 2017

21 Employees

Number of employees
The average monthly number of employees (including directors) during the period was

	2007
	Number
Administrative	1,529

Employment costs	**2007**
	£
Wages and salaries	31,565,920
Social security costs	4,292,346
	35,858,266

22 Control

The ultimate parent company is CIE Management II Limited

23 Related party transactions

Group
The group has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared