

## FISK MANAGEMENT SERVICES LIMITED

COMPANY INFORMATION

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|                          |                                                                                            |
|--------------------------|--------------------------------------------------------------------------------------------|
| <b>Director</b>          | J. Pring                                                                                   |
| <b>Secretary</b>         | C. Pring                                                                                   |
| <b>Company Number</b>    | 2065607                                                                                    |
| <b>Registered Office</b> | 9 Nelson Street<br>Southend on Sea<br>Essex<br>SS1 1EH                                     |
| <b>Auditors</b>          | Rickard Keen<br>9 Nelson Street<br>Southend-on-Sea<br>Essex<br>SS1 1EH                     |
| <b>Solicitors</b>        | Tolhurst Fisher<br>Trafalgar House<br>Nelson Street<br>Southend on Sea<br>Essex<br>SS1 1EF |
| <b>Bankers</b>           | Natwest Bank Plc<br>P O Box 440<br>58 Broadway<br>Leigh on Sea<br>Essex<br>SS1 1BE         |



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# **FISK MANAGEMENT SERVICES LIMITED**

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# **FISK MANAGEMENT SERVICES LIMITED**

## **DIRECTOR'S REPORT**

**FOR THE YEAR ENDED 31ST MARCH 1999**

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The director presents his report together with the audited accounts for the year ended 31st March 1999.

### **Principal Activities and Review of Business**

The company, previously dormant, commenced trading on 1st April 1998 and engaged in the principal activity of estate agency franchising.

### **Results and Dividends**

The results for the year are set out in the profit and loss account on page 4.

The director considers the profit achieved on ordinary activities before taxation to be satisfactory.

The director considers the state of the company's affairs to be satisfactory.

The director does not recommend a dividend .

### **Director**

The director who served during the year and his beneficial interest in the company's issued share capital was:

| <b>Ordinary Shares</b> |              |
|------------------------|--------------|
| <b>31st</b>            | <b>1st</b>   |
| <b>March</b>           | <b>April</b> |
| <b>1999</b>            | <b>1998</b>  |
| <b>100</b>             | <b>100</b>   |

J. Pring

### **Political and Charitable Contributions**

The company made no political or charitable contributions during the year.

### **Year 2000 Compliance**

As is well known, many computer and digital storage systems express dates using only the last two digits of the year and will thus require modification or replacement to accommodate the Year 2000 and beyond in order to avoid malfunctions and resulting widespread commercial disruption. This is a complex and pervasive issue. The operation of our business depends not only on our own computer systems, but also to some degree on those of our suppliers and customers. This could expose us to further risk in the event that there is a failure by other parties to remedy their own year 2000 issues.

The company is well advanced in the phase of assessing the risks to our business resulting from the date change to the Year 2000. Once this phase is completed we can assess the likely impact on our activities and develop prioritised action plans to deal with the key risks.

# **FISK MANAGEMENT SERVICES LIMITED**

## **DIRECTOR'S REPORT**

**FOR THE YEAR ENDED 31ST MARCH 1999**

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### **Director's Responsibilities**

Company law requires the director to prepare accounts for each financial year which give a true and fair view of the state of the company's affairs and of the profit or loss for that year. In preparing these accounts the director is 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 accounts;

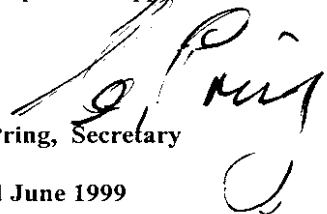
Prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the company and enable him to ensure that the accounts comply with the Companies Act 1985. He is 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.

### **Auditors**

A resolution to reappoint Rickard Keen Chartered Accountants as auditors will be put to the members at the Annual General Meeting.

This report was approved on 22nd June 1999, and signed.

  
C. Pring, Secretary

22nd June 1999

# **AUDITORS' REPORT TO THE SHAREHOLDERS OF FISK MANAGEMENT SERVICES LIMITED**

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We have audited the accounts on pages 4 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

## **Respective Responsibilities of Director and Auditors**

As described on page 1 the company's director is responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and 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 accounts. It also includes an assessment of the significant estimates and judgements made by the director in the preparation of the accounts, 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 information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts 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 the information in the accounts.

## **Opinion**

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31st March 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**Rickard Keen**  
**Chartered Accountants and Registered Auditors**  
**9 Nelson Street**  
**Southend-on-Sea**  
**Essex**  
**SS1 1EH**  
**Date: 23rd June 1999**

# **FISK MANAGEMENT SERVICES LIMITED**

## **PROFIT AND LOSS ACCOUNT**

**FOR THE YEAR ENDED 31ST MARCH 1999**

|                                                      | Notes | 1999<br>£      | 1998<br>£      |
|------------------------------------------------------|-------|----------------|----------------|
| Turnover                                             | 2     | 68,191         | -              |
| Administrative Expenses                              |       | 56,922         | -              |
| <b>Operating Profit</b>                              | 3     | <b>11,269</b>  | -              |
| <b>Profit on Ordinary Activities before Taxation</b> |       | <b>11,269</b>  | -              |
| Tax on profit on ordinary activities                 | 5     | 1,825          | -              |
| <b>Profit for the Financial Year</b>                 |       | <b>9,444</b>   | -              |
| <b>Retained Loss Brought Forward</b>                 |       | <b>(6,881)</b> | <b>(6,881)</b> |
| <b>Retained Profit/Loss Carried Forward</b>          |       | <b>2,563</b>   | <b>(6,881)</b> |

All amounts relate to continuing activities.

There were no recognised gains or losses for 1999 or 1998 other than those included in the profit and loss account.

# FISK MANAGEMENT SERVICES LIMITED

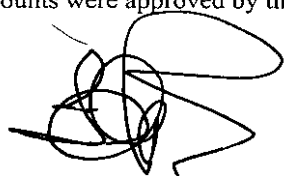
## BALANCE SHEET

AS AT 31ST MARCH 1999

|                                                       | Notes | £              | 1999<br>£        | £        | 1998<br>£      |
|-------------------------------------------------------|-------|----------------|------------------|----------|----------------|
| <b>Fixed Assets</b>                                   |       |                |                  |          |                |
| Intangible assets                                     | 6     |                | 235,389          |          | -              |
| Tangible assets                                       | 7     |                | 10,653           |          | -              |
|                                                       |       |                | <u>246,042</u>   |          | <u>-</u>       |
| <b>Current Assets</b>                                 |       |                |                  |          |                |
| Debtors                                               | 8     | 124,524        |                  | -        |                |
| Cash at bank and in hand                              |       | 3,337          |                  | -        |                |
|                                                       |       | <u>127,861</u> |                  | <u>-</u> |                |
| <b>Creditors: Amounts Falling Due Within One Year</b> | 9     | 371,240        |                  | 6,781    |                |
| <b>Net Current Liabilities</b>                        |       |                | <u>(243,379)</u> |          | <u>(6,781)</u> |
| <b>Total Assets Less Current Liabilities</b>          |       |                | <u>2,663</u>     |          | <u>(6,781)</u> |
| <b>Capital and Reserves</b>                           |       |                |                  |          |                |
| Share capital                                         | 11    |                | 100              |          | 100            |
| Profit and loss account                               |       |                | 2,563            |          | (6,881)        |
| <b>Shareholders' Funds</b>                            | 14    |                | <u>2,663</u>     |          | <u>(6,781)</u> |

These accounts were approved by the board on 22nd June 1999 and signed on its behalf.

J. Pring  
Director



# **FISK MANAGEMENT SERVICES LIMITED**

## **CASH FLOW STATEMENT**

**FOR THE YEAR ENDED 31ST MARCH 1999**

|                                                                                        | Notes | 1999<br>£      | 1998<br>£ |
|----------------------------------------------------------------------------------------|-------|----------------|-----------|
| <b>Reconciliation of Operating Profit to Net Cash Inflow from Operating Activities</b> |       |                |           |
| Operating profit                                                                       |       | 11,269         | -         |
| Depreciation                                                                           |       | 111            | -         |
| Increase in debtors                                                                    |       | (124,524)      | -         |
| Increase in creditors                                                                  |       | 362,634        | -         |
| <b>Net Cash Inflow from Operating Activities</b>                                       |       | <b>249,490</b> | <b>-</b>  |

## **CASH FLOW STATEMENT**

|                                                                |    |              |          |
|----------------------------------------------------------------|----|--------------|----------|
| <b>Net Cash Inflow from Operating Activities</b>               |    | 249,490      | -        |
| <b>Capital Expenditure and Financial Investment</b>            | 12 | (246,153)    | -        |
| <b>Increase in Cash</b>                                        |    | <b>3,337</b> | <b>-</b> |
| <b>Reconciliation of Net Cash Flow to Movement in Net Cash</b> |    |              |          |
| <b>Increase in Cash in the Year</b>                            |    | 3,337        | -        |
| <b>Net Funds at 31st March 1999</b>                            | 13 | <b>3,337</b> | <b>-</b> |

# FISK MANAGEMENT SERVICES LIMITED

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 1999

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### 1. Accounting Policies

#### Basis of Accounting

The Accounts have been prepared in accordance with applicable accounting standards and under the historical cost convention.

#### Turnover

Turnover is the total amount receivable by the company for services provided, excluding VAT and trade discounts.

#### Depreciation

Depreciation is calculated to write down the cost or valuation less estimated residual value of all tangible fixed assets by equal annual instalments over their expected useful lives. The rates and periods generally applicable are:

|                       |                              |
|-----------------------|------------------------------|
| Motor vehicles        | 5 years straight line method |
| Computer equipment    | 5 years straight line method |
| Fixtures and fittings | 5 years straight line method |

#### Development Costs

Development costs relate to the creation of an estate agency franchising business. These costs are being amortised equally over the first fifty franchises granted in accordance with the company's business plan which predicts that this number will be exceeded within the first five years. This policy will be reviewed annually in the light of performance achieved.

#### Deferred Taxation

Deferred tax is provided for under the liability method using the tax rates estimated to arise when the timing differences reverse and is accounted for to the extent that it is probable that a liability or asset will crystallise. Unprovided deferred tax is disclosed as a contingent liability.

Debit balances arising in respect of advanced corporation tax on dividends payable or proposed are carried forward to the extent that they are expected to be recoverable.

### 2. Turnover

The turnover was derived from the company's principal activity which was carried out wholly in the UK.

Turnover is attributable to the principal activity of the company.

### 3. Operating Profit

*The operating profit is arrived at after charging or crediting:*

|                              | 1999  | 1998 |
|------------------------------|-------|------|
|                              | £     | £    |
| Depreciation of owned assets | 111   | -    |
| Auditors' remuneration       | 3,750 | -    |

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# FISK MANAGEMENT SERVICES LIMITED

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 1999

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### 4 Director and Employees

Staff costs, including director's remuneration, were as follows:

|                       | 1999          | 1998     |
|-----------------------|---------------|----------|
|                       | £             | £        |
| Wages and salaries    | 2,292         | -        |
| Social security costs | 229           | -        |
| Staff agency costs    | 24,312        | -        |
|                       | <u>26,833</u> | <u>-</u> |

The average monthly number of employees, including the director, during the year was as follows:

|            | 1999     | 1998     |
|------------|----------|----------|
|            | Number   | Number   |
| Management | <u>2</u> | <u>2</u> |

### 5 Taxation

|                                       | 1999  | 1998 |
|---------------------------------------|-------|------|
|                                       | £     | £    |
| Based on the profit for the year      |       |      |
| UK corporation tax at 21% (1998: 21%) | 1,825 | -    |

### 6 Intangible Fixed Assets

|                    | Development<br>Expenditure<br>£ |
|--------------------|---------------------------------|
| Cost               |                                 |
| Additions          | 235,389                         |
| At 31st March 1999 | <u>235,389</u>                  |
| Net Book Values    |                                 |
| At 31st March 1999 | <u>235,389</u>                  |
| At 31st March 1998 | <u>-</u>                        |

# FISK MANAGEMENT SERVICES LIMITED

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 1999

### 7. Tangible Fixed Assets

|                     | Motor<br>Vehicles | Computer<br>Equipment | Fixtures<br>and<br>Fittings | Total  |
|---------------------|-------------------|-----------------------|-----------------------------|--------|
| Cost                | £                 | £                     | £                           | £      |
| Additions           | 7,854             | 399                   | 2,511                       | 10,764 |
| At 31st March 1999  | 7,854             | 399                   | 2,511                       | 10,764 |
| Depreciation        |                   |                       |                             |        |
| Charge for the year | -                 | 27                    | 84                          | 111    |
| At 31st March 1999  | -                 | 27                    | 84                          | 111    |
| Net Book Value      |                   |                       |                             |        |
| At 31st March 1999  | 7,854             | 372                   | 2,427                       | 10,653 |
| At 31st March 1998  | -                 | -                     | -                           | -      |

### 8 Debtors

|               | 1999    | 1998 |
|---------------|---------|------|
|               | £       | £    |
| Trade debtors | 79,867  | -    |
| Other debtors | 44,657  | -    |
|               | 124,524 | -    |

### 9 Creditors: Amounts Falling Due Within One Year

|                                 | 1999    | 1998  |
|---------------------------------|---------|-------|
|                                 | £       | £     |
| Trade creditors                 | 49,256  | -     |
| Corporation tax                 | 1,825   | -     |
| Other taxes and social security | 853     | -     |
| Other creditors                 | 316,806 | 6,781 |
| Accruals and deferred income    | 2,500   | -     |
|                                 | 371,240 | 6,781 |

# FISK MANAGEMENT SERVICES LIMITED

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 1999

### 10 Deferred Taxation

Deferred taxation provided and unprovided for in the accounts is set out below. The amount unprovided represents a contingent liability at the balance sheet date and is calculated using a tax rate of 21 % (1998: 21%).

|                                | Amount Unprovided |      |
|--------------------------------|-------------------|------|
|                                | 1999              | 1998 |
|                                | £                 | £    |
| Accelerated capital allowances | 542               | -    |

### 11 Share Capital

#### Authorised Equity Shares

100 Ordinary shares of £1.00 each

#### Allotted

#### Equity Shares

100 Allotted, called up and fully paid ordinary shares of £1.00 each

### 12 Gross Cash Flows

#### Capital Expenditure and Financial Investment

Payments to acquire intangible fixed assets

Payments to acquire tangible fixed assets

Net cash outflow from investing activities

### 13 Analysis of Changes in Net Cash

Cash at bank and in hand

### 14 Reconciliation of Shareholders' Funds

Profit for the financial year

Increase in the shareholders' funds

Opening shareholders' funds

Closing shareholders' funds

|  | 1999      | 1998    |
|--|-----------|---------|
|  | £         | £       |
|  | 100       | 100     |
|  | 100       | 100     |
|  | 1999      | 1998    |
|  | £         | £       |
|  | (235,389) | -       |
|  | (10,764)  | -       |
|  | (246,153) | -       |
|  | 1998      | 1999    |
|  | £         | £       |
|  | -         | 3,337   |
|  | -         | 3,337   |
|  | 1999      | 1998    |
|  | £         | £       |
|  | 9,444     | -       |
|  | 9,444     | -       |
|  | (6,781)   | (6,781) |
|  | 2,663     | (6,781) |

# **FISK MANAGEMENT SERVICES LIMITED**

## **NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31ST MARCH 1999**

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### **15 Transactions with Director**

During the year the company received franchise fee income of £67,612 (1998: 0) in the normal course of business from John Fisk and Co, an organisation in which J Pring has a controlling interest. At the balance sheet date the amount due from John Fisk and Co was £79,444 representing the fee income outstanding inclusive of VAT (1998: 0). During the year, Fisk Management Services Limited loaned £12,141 to John Fisk and Co, all of which was outstanding at the year end (1998: £6,781 owed to John Fisk and Co).

A loan of £249,807 was made to Fisk Management Services Limited by The John Pring Group Limited, a company in which J Pring has a controlling interest, to assist with the development costs of the franchise business. The loan is made on an interest free basis and is currently without repayment terms.

During the year, Bowman Builders, an organisation in which J Pring has a controlling interest, loaned £67,000 (1998: 0) to Fisk Management Services Limited. At the balance sheet date the loan remained outstanding (1998 £0). The loan is made on an interest free basis and is due within one year.

### **16 Related Parties**

In the director's opinion the company is ultimately controlled by J Pring who is a director of the company.

### **17 Capital Commitments**

At the year end the director estimates that the completion costs of development of the franchise business will be in the region of £30,000. This amount has not been provided in the accounts.