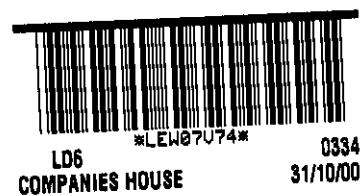


FISKS PLC
DIRECTOR'S REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2000



FISKS PLC

COMPANY INFORMATION

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

FISKS PLC

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FISKS PLC

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31ST MARCH 2000

The director presents his report and the audited accounts for the company for the year ended 31st March 2000.

Principal activities and review of business

The company, continued in its 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 loss 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 and his interests

The director who held office during the year and his beneficial interest in the company's issued share capital are given below:

Name of director	Share type	At 31st March 2000	At 1st April 1999
J. Pring	Ordinary	49,999	100

Issue of shares

During the year, the authorised share capital was increased from 100 ordinary shares of £1 each to 50,000 ordinary shares of £1 each. These new shares were issued and paid up to the extent of 25p per share.

Year 2000

Many computer systems which express dates using only the last two digits of the year may malfunction due to the date change to the Year 2000. This risk to the business relates not only to the company's computer systems, but also to some degree on those of the company's customers and suppliers.

The company suffered no impact from the Year 2000 date change nor did any its major customers, suppliers or trading partners.

FISKS PLC

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31ST MARCH 2000

Statement of 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 affairs of the company and of the profit or loss for that year. In preparing those 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;

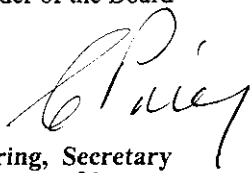
Prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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 re-appoint Rickard Keen Chartered Accountants as auditors will be put to the members at the Annual General Meeting.

By order of the Board

x 
C. Pring, Secretary

λ Date: 27.10.00

AUDITORS' REPORT TO THE SHAREHOLDERS OF FISKIS PLC

We have audited the accounts on pages 4 to 12 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 2 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.

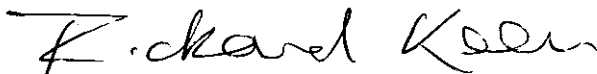
We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of the information in the accounts.

Going Concern

In forming our opinion, we have considered the adequacy of the disclosures made in notes 1 and 10 to the accounts concerning the ability of the company to continue trading as a going concern which is dependent upon the continued support of the director and the companies controlled by him. In view of the significance of this uncertainty we consider it should be drawn to your attention but our opinion is not qualified in this respect.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31st March 2000 and of its loss and cash flows 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: 30 October 2000

FISKS PLC

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST MARCH 2000

	Notes	2000 £	1999 £
Turnover	2	<u>87,955</u>	<u>68,191</u>
Administrative expenses		<u>(271,723)</u>	<u>(56,922)</u>
Operating loss/profit	3	<u>(183,768)</u>	<u>11,269</u>
Interest payable and similar charges	5	<u>(1,164)</u>	<u>-</u>
Loss/Profit on ordinary activities before taxation		<u>(184,932)</u>	<u>11,269</u>
Tax on loss/profit on ordinary activities	6	<u>1,825</u>	<u>(1,825)</u>
Loss/Profit for the financial year		<u>(183,107)</u>	<u>9,444</u>
Retained profit/loss brought forward		<u>2,563</u>	<u>(6,881)</u>
Retained loss/profit carried forward		<u><u>(180,544)</u></u>	<u><u>2,563</u></u>

All amounts relate to continuing activities.

There were no recognised gains or losses for 2000 or 1999 other than those included in the profit and loss account.

FISKS PLC

BALANCE SHEET

AS AT 31ST MARCH 2000

	Notes	£	2000 £	£	1999 £
Fixed assets					
Intangible assets	7		227,564		235,389
Tangible assets	8		4,831		10,653
			<u>232,395</u>		<u>246,042</u>
Current assets					
Stocks	9	1,200		-	
Debtors	10	17,411		124,524	
Cash at bank and in hand		100		3,337	
			<u>18,711</u>	<u>127,861</u>	
Creditors: amounts falling due within one year	11	(419,075)		(371,240)	
Net current liabilities			<u>(400,364)</u>		<u>(243,379)</u>
Total assets less current liabilities			<u>(167,969)</u>		<u>2,663</u>
Capital and reserves					
Share capital	13		12,575		100
Profit and loss account			(180,544)		2,563
Shareholders' funds	14		<u>(167,969)</u>		<u>2,663</u>

These accounts were approved by the board on 27. 10. 00 and signed on its behalf by:

J. Pring
Director

FISKS PLC**CASH FLOW STATEMENT****FOR THE YEAR ENDED 31ST MARCH 2000**

	Notes	2000 £	1999 £
Reconciliation of operating loss/profit to net cash flow from operating activities			
Operating loss/profit		(183,768)	11,269
Depreciation		2,012	111
Amortisation of intangible fixed assets		56,900	-
Increase in stocks		(1,200)	-
Decrease/Increase in debtors		107,113	(124,524)
Increase in creditors		45,870	362,634
Net cash inflow from operating activities		26,927	249,490

CASH FLOW STATEMENT

Net cash inflow from operating activities		26,927	249,490
Returns on investments and servicing of finance	17	(1,164)	-
Taxation		-	-
Capital expenditure and financial investment	17	(45,266)	(246,153)
Cash outflow/inflow before use of liquid resources and financing		(19,503)	3,337
Financing	17	12,475	-
Decrease/Increase in cash		(7,028)	3,337
Reconciliation of net cash flow to movement in net cash			
Decrease/Increase in cash in the year		(7,028)	3,337
Net cash at 1st April 1999		3,337	-
Net debt/funds at 31st March 2000	18	(3,691)	3,337

FISKS PLC

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 2000

1 Accounting policies

Basis of accounting

The Accounts have been prepared in accordance with applicable accounting standards and under the historical cost convention. The accounts have been prepared on a going concern basis as the company continues to receive support from the director and the companies controlled by him.

Turnover

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

Tangible fixed assets and 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
Fixtures and fittings	5 years straight line method
Computer equipment	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 next five years (1999: amortised equally over the first fifty franchises granted). This policy will be reviewed annually in the light of performance achieved.

Stocks

Stocks are stated at the lower of cost and net realisable value.

2 Turnover

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

3 Operating loss

<i>The operating loss is stated after charging or crediting:</i>	2000	1999
	£	£
Depreciation of tangible fixed assets:		
-owned assets	2,012	111
Amortisation of development costs	56,900	-
Auditors' remuneration	3,700	3,750

FISKS PLC

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 2000

4 Director and employees

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

	2000	1999
	£	£
Wages and salaries	72,892	2,292
Social security costs	6,931	229
Staff agency costs	4,043	31,062
	<u>83,866</u>	<u>33,583</u>

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

	2000	1999
	Number	Number
Management	<u>3</u>	<u>2</u>

5 Interest payable and similar charges

	2000	1999
	£	£
Interest payable on bank loans and overdrafts	<u>1,164</u>	<u>-</u>

6 Taxation

	2000	1999
	£	£
Based on the loss/profit for the year:		
UK corporation tax at 20% (1999: 21%)	<u>-</u>	<u>1,825</u>
	-	1,825
Prior periods	-	-
UK corporation tax	<u>(1,825)</u>	<u>-</u>

FISKS PLC

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 2000

7 Intangible fixed assets

	Development Expenditure £
Cost	
At 1st April 1999	235,389
Additions	49,075
At 31st March 2000	284,464
Amortisation	
Provided during the year	56,900
At 31st March 2000	56,900
Net book value	
At 31st March 2000	227,564
<i>At 31st March 1999</i>	<i>235,389</i>

8 Tangible fixed assets

	Motor vehicles	Fixtures and fittings	Computer equipment	Total
Cost	£	£	£	£
At 1st April 1999	7,854	2,511	399	10,764
Additions	-	704	1,995	2,699
Disposals	(7,854)	-	-	(7,854)
At 31st March 2000	-	3,215	2,394	5,609
Depreciation				
At 1st April 1999	-	84	27	111
Charge for the year	1,346	554	113	2,013
Disposals	(1,346)	-	-	(1,346)
At 31st March 2000	-	638	140	778
Net book value				
At 31st March 2000	-	2,577	2,254	4,831
<i>At 31st March 1999</i>	<i>7,854</i>	<i>2,427</i>	<i>372</i>	<i>10,653</i>

FISKS PLC

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 2000

9	Stocks	2000	1999
		£	£
	Goods for resale	<u>1,200</u>	<u>-</u>
10	Debtors	2000	1999
		£	£
	Trade debtors	10,189	79,867
	Other debtors	2,131	44,657
	Prepayments and accrued income	<u>5,091</u>	<u>-</u>
		<u>17,411</u>	<u>124,524</u>
11	Creditors: amounts falling due within one year	2000	1999
		£	£
	Bank loans and overdrafts (Note 12)	3,790	-
	Trade creditors	20,588	49,256
	Corporation tax	-	1,825
	Other taxes and social security	2,518	853
	Other creditors	385,525	316,806
	Accruals and deferred income	<u>6,654</u>	<u>2,500</u>
		<u>419,075</u>	<u>371,240</u>
12	Loans and borrowings	2000	1999
		£	£
	Analysis of loans		
	Bank loans and overdraft	<u>3,790</u>	<u>-</u>
	Maturity of debt		
	In one year or less, or on demand	<u>3,790</u>	<u>-</u>
13	Share capital	2000	1999
		£	£
	Authorised		
	Equity shares		
	50,000 Ordinary shares of £1.00 each	<u>50,000</u>	<u>100</u>
	Allotted		
	Equity shares		
	50,000 Allotted, (49,900 shares called up and one quarter paid up) ordinary shares of £1.00 each	<u>12,575</u>	<u>100</u>
	During the year, the company increased its authorised and issued share capital from 100 ordinary shares of £1 each to 50,000 ordinary shares of £1 each.		

FISKS PLC

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 2000

14	Reconciliation of movement in shareholders' funds	2000	1999
		£	£
	Loss/Profit for the financial year	(183,107)	9,444
	Issue of share capital	12,475	-
	Decrease in the shareholders' funds	(170,632)	9,444
	Opening shareholders' funds	2,663	(6,781)
	Closing shareholders' funds	(167,969)	2,663

15 Transactions with director

During the year the company received franchise fee income of £73,486 (1999:£67,631) in the normal course of business from John Fisk and Co, an organisation in which J Pring has a controlling interest.

A further loan of £54,193 (1999: £249,807) was made to Fisk PLC 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. The outstanding balance at the year end was £304,000 (1999: £249,807).

During the year, Bowman Builders, an organisation in which J Pring has a controlling interest, loaned a further £14,525 (1999: 67,000) to Fisk PLC. At the balance sheet date the loan remaining outstanding was £81,525 (1999 £67,000). The loan is made on an interest free basis and is due within one year or on demand.

16 Related parties

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

17	Gross cash flows	2000	1999
		£	£
	Returns on investments and servicing of finance		
	Interest paid	(1,164)	-
		(1,164)	-
	Capital expenditure and financial investment		
	Payments to acquire intangible fixed assets	(49,075)	(235,389)
	Payments to acquire tangible fixed assets	(2,699)	(10,764)
	Proceeds from the sale of tangible fixed assets	6,508	-
		(45,266)	(246,153)
	Financing		
	Issue of ordinary share capital	12,475	-

FISKS PLC

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 2000

18 Analysis of changes in net cash

	1999	Cash flows	2000
	£	£	£
Cash at bank and in hand	3,337	(3,237)	100
Overdrafts	-	(3,790)	(3,790)
	3,337	(7,027)	(3,690)
	3,337	(7,027)	(3,690)