

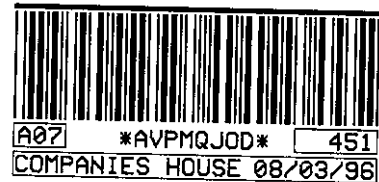
SHIRES ESTATE AGENTS LIMITED

Company Number 2123767

*Register of
Companies Act*

FINANCIAL STATEMENTS

For the year ended 30th June 1995



REPORT OF THE DIRECTORS

The Directors present their Report and Financial Statements for the year ended 30th June 1995.

Principal Activities

The principal activity of the Company remains that of Estate Agency and related business.

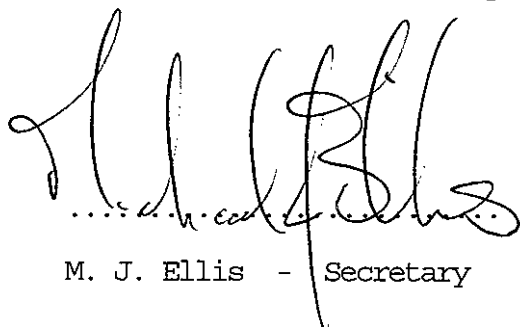
Directors

The Directors who served throughout the year and their interests in the shares of the Company at the year end were as follows:-

	<u>Ordinary Shares of £1 each</u>	
	<u>At 30th June 1995</u>	<u>At 30th June 1994</u>
D. A. Kemble-Taylor	283	283
M. J. Ellis	358	283
R. J. C. Gallon	358	283

Advantage has been taken in the preparation of the Directors' Report of the special exemptions applicable to small Companies.

Approved by the Board on *3rd March* 1996,
and signed on its behalf by


M. J. Ellis - Secretary

ACCOUNTANTS' REPORT TO THE SHAREHOLDERS ON THE UNAUDITED
FINANCIAL STATEMENTS OF SHIRES ESTATE AGENTS LIMITED

We report on the Financial Statements for the year ended 30th June 1995 set out on pages 3 to 10.

Respective Responsibilities of Directors and Reporting Accountants

As described on page 5, the Company's Directors are responsible for the preparation of the Financial Statements, and they consider that the Company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

Basis of Opinion

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so our procedures consisted of comparing the Financial Statements with the accounting records kept by the Company, and making such limited enquiries of the officers of the Company as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our pinion.

Opinion

In our opinion:-

- a) the Financial Statements are in agreement with the accounting records kept by the Company under Section 221 of the Companies Act 1985;
- b) having regard only to, and on the basis of, the information contained in those accounting records:-
 - i) the Financial Statements have been drawn up in a manner consistent with the accounting requirements specified in Section 249C(6) of the Act; and
 - ii) the Company satisfied the conditions for exemption from an audit of the Financial Statements for the year specified in Section 249A(4) of the Act and did not, at any time within that year, fall within any of the categories of companies not entitled to the exemption specified in Section 249B(1).

Ensors

ENSORS

Reporting Accountants
BURY ST. EDMUNDS

Date: 4th March 1996

SHIRES ESTATE AGENTS LIMITED

PROFIT AND LOSS ACCOUNT

For the year ended 30th June 1995

	<u>Note</u>	<u>1995</u>	<u>1994</u>
<u>TURNOVER</u>	1	152,909	160,672
Administrative Expenses		124,186 -----	130,699 -----
<u>OPERATING PROFIT</u>		28,723	29,973
Loss on Sale of Motor Vehicle		(644)	(162)
Interest Receivable		4,228 -----	3,385 -----
<u>PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST</u>	3	32,307	33,196
Interest Payable and Similar Charges		10,578 -----	10,382 -----
<u>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</u>		21,729	22,814
Tax on Profit on Ordinary Activities		5,638 -----	4,660 -----
<u>PROFIT FOR THE FINANCIAL YEAR</u>	12	£16,091 =====	£18,514 =====

The Company has no recognised gains or losses other than the profit for the year.

The Company's Turnover and Expenses all relate to continuing operations.

The Profit on Ordinary Activities before Taxation and the Retained Profit have been calculated on the historical cost basis.

The Notes on pages 6 to 10 form part of these Financial Statements.

SHIRES ESTATE AGENTS LIMITED

B A L A N C E S H E E T

As at 30th June 1995

	<u>Note</u>	<u>1995</u>	<u>1994</u>
<u>FIXED ASSETS</u>			
Tangible Assets	5	127,387	79,324
Investment	6	25,000	25,000
		-----	-----
		152,387	104,324
		-----	-----
<u>CURRENT ASSETS</u>			
Debtors	7	16,173	18,505
Cash at Bank and in Hand		104,351	98,849
		-----	-----
		120,524	117,354
<u>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</u>			
	8	117,304	109,685
		-----	-----
<u>NET CURRENT ASSETS</u>		3,220	7,669
		-----	-----
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		155,607	111,993
<u>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</u>			
	9	(105,703)	(81,045)
<u>ACCRUALS AND DEFERRED INCOME</u>	10	(30,694)	(27,829)
		-----	-----
		£19,210	£3,119
		=====	=====
<u>CAPITAL AND RESERVES</u>			
Called Up Share Capital	11	999	999
Profit and Loss Account	12	18,211	2,120
		-----	-----
<u>SHAREHOLDERS' FUNDS</u>		£19,210	£3,119
		=====	=====

Shareholders' Funds are fully attributable to equity interests.

B A L A N C E S H E E T (Continued)

As at 30th June 1995

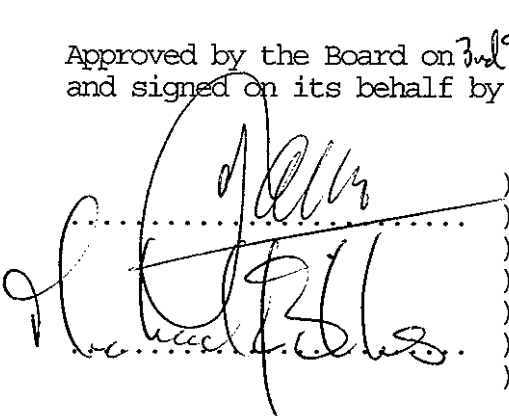
For the year ended 30th June 1995 the Company was entitled to exemption from the requirement to have an audit under the provisions of Section 249A(2) of the Companies Act 1985. No notice has been deposited with the Company under Section 249B(2) of that Act requiring an audit to be carried out.

The Directors acknowledge their responsibility for

- a) ensuring the Company keeps accounting records in accordance with Section 221 of the Companies Act 1985, and
- b) preparing Financial Statements which give a true and fair view of the state of affairs of the Company as at the end of its financial year and of its profit/loss for that financial year in accordance with the requirements of Section 226 of the Companies Act 1985 and which otherwise comply with the accounting requirements of that Act relating to Accounts so far as they are applicable to the Company.

Advantage is taken of the exemptions conferred by Parts I and II of Schedule 8 of the Companies Act 1985. In the Directors' opinion the Company is entitled to those exemptions having met the qualifications for a small Company specified in Sections 246 and 247 of the Companies Act 1985.

Approved by the Board on *2nd March* 1996
and signed on its behalf by


Directors

The Notes on pages 6 to 10 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30th June 1995

1. ACCOUNTING POLICIES

a) Basis of Accounting

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

b) Turnover

Turnover consists of the invoice value, excluding Value Added Tax, for the sale of properties and services.

c) Depreciation

Depreciation is provided in order to write off the cost of fixed assets over their expected useful life. The following annual rates are used:-

Motor Vehicles	25%	Reducing Balance
Fixtures and Fittings	15%	" "
Leasehold Property	1%	Straight Line
Freehold Property		Not Depreciated

Freehold Property is maintained to such a standard that its estimated residual value is not less than its cost, therefore no depreciation is charged as it is not material.

d) Investments

Investments held as fixed assets are stated at cost.

e) Leased Assets

Where assets are financed by leasing agreements ("finance leases") the assets are included in the Balance Sheet at cost less depreciation in accordance with the Company's normal accounting policies. The present value of future rentals is shown as a liability. The interest element of rental obligations is charged to the Profit and Loss Account over the period of the lease in proportion to the balance of capital payments outstanding, unless stated otherwise in the agreement. Rentals payable under operating leases are charged to the Profit and Loss Account as incurred.

f) Indemnity Commissions

Where commissions are earned on indemnity terms, provision is made in full for the unearned proportion of those commissions based on the average life of those commissions as set out by Lautro guidelines.

2. SEGMENTAL INFORMATION

The Company operates in the U.K., and the whole of its Turnover is to the U.K. market.

NOTES TO THE FINANCIAL STATEMENTSFor the year ended 30th June 1995

3. <u>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</u>	<u>1995</u>	<u>1994</u>
	<u>£</u>	<u>£</u>
The Profit on Ordinary Activities before Taxation is stated after charging:-		
Depreciation of Owned Tangible Fixed Assets	1,954	2,734
Depreciation of Assets held under Finance Lease and Hire Purchase Contracts	5,244	2,899
Operating Lease Rentals - Land and Buildings	5,500	5,500
- Plant and Machinery	1,518	1,518
Hire Purchase Interest and Finance Lease Charges	1,105	1,974
	=====	=====

4. <u>DIRECTORS</u>	<u>1995</u>	<u>1994</u>
Total Emoluments	£73,923	£71,501
	=====	=====

Interest in Transactions

During the year the Company purchased the freehold of 4A, New Street, Mildenhall from one of its Directors, R.J.C. Gallon. Prior to the purchase, R.J.C. Gallon received rent amounting to £1,665 (1994: £3,019). The property was acquired at professional valuation. At the time of the purchase the Company also took over liability for the mortgage on the property from R.J.C. Gallon.

5. TANGIBLE FIXED ASSETS

	<u>Freehold</u> <u>Property</u>	<u>Leasehold</u> <u>Property</u>	<u>Motor</u> <u>Vehicles</u>	<u>Fixtures</u> <u>and</u> <u>Fittings</u>	<u>Total</u>
<u>Cost</u>					
At 1st July 1994	-	65,969	24,310	17,456	107,735
Additions	35,000	-	23,600	3,040	61,640
Disposals	-	-	(17,315)	-	(17,315)
	-----	-----	-----	-----	-----
At 30th June 1995	35,000	65,969	30,595	20,496	152,060
	-----	-----	-----	-----	-----
<u>Depreciation</u>					
At 1st July 1994	-	4,618	12,820	10,973	28,411
Charge for the year	-	660	5,244	1,429	7,333
Eliminated on Disposals	-	-	(11,071)	-	(11,071)
	-----	-----	-----	-----	-----
At 30th June 1995	-	5,278	6,993	12,402	24,673
	-----	-----	-----	-----	-----
<u>Net Book Value</u>					
At 30th June 1995	£35,000	£60,691	£23,602	£8,094	£127,387
	=====	=====	=====	=====	=====
At 30th June 1994	£ -	£61,351	£11,490	£6,483	£79,324
	==	=====	=====	=====	=====

NOTES TO THE FINANCIAL STATEMENTSFor the year ended 30th June 19955. TANGIBLE FIXED ASSETS (Continued)

The net book value of motor vehicles includes £23,602 (1994: £8,698) in respect of assets held under finance leases and hire purchase contracts. Depreciation charged in the year on those assets amounted to £5,244 (1994: £2,899).

The leasehold property is the subject of a 999 year head lease which commenced 8th May 1987.

6. INVESTMENT

Shares in associated undertaking at cost:

At 30th June 1994 and 30th June 1995	£25,000
	=====

The above investment is unlisted.

The Company owns 25,000 £1 Ordinary Shares in Shires (Bury St. Edmunds) Limited, an estate agent Company registered in England and Wales. This represents 50% of the nominal value of that Company's issued share capital.

Shires (Bury St. Edmunds) Limited Financial Statements are made up to the 31st March annually. The aggregate capital and reserves of this Company at 31st March 1995 amounted to £18,119 (1994: £23,014, and the loss after taxation for the year ended 31st March 1995 amounted to £4,895 (1994: Profit £18,443).

The Company purchased the remaining Share Capital in the associated undertaking in December 1995 (See Note 14).

7. <u>DEBTORS: DUE WITHIN ONE YEAR</u>	<u>1995</u>	<u>1994</u>
Trade Debtors	9,065	11,279
Amounts owed by Associated Undertaking	6,331	6,649
Others	777	577
	-----	-----
	£16,173	£18,505
	=====	=====
8. <u>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</u>	<u>1995</u>	<u>1994</u>
Bank Loans and Overdrafts	4,606	2,765
Trade Creditors	10,043	7,413
Other Creditors	102,655	99,507
	-----	-----
	£117,304	£109,685
	=====	=====

The bank borrowings are secured.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30th June 1995

9. <u>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</u>	<u>1995</u>	<u>1994</u>
Bank Loan	70,818	50,918
Other Creditors	34,885	30,127
	-----	-----
	£105,703	£81,045
	=====	=====

The bank loan is secured.

Repayments due after five years amount to £52,393 (1994: £39,859).

Included in Other Creditors:

	<u>1995</u>	<u>1994</u>
Obligations under hire purchase contracts		
Amounts payable within one year	£7,091	£2,143
Amounts payable within two to five years	£9,184	£2,730
	=====	=====

10. <u>ACCRUALS AND DEFERRED INCOME</u>	<u>1995</u>	<u>1994</u>
Unearned Indemnity Commission	£30,694	£27,829
	=====	=====

Full provision is made for unearned indemnity commission.

<u>Movement for the year</u>	<u>Unearned Indemnity Commission</u>
Balance at 1st July 1994	27,829
Net Commissions Credited	24,801
Commission Earned	(21,936)

Balance at 30th June 1995	£30,694
	=====

11. <u>CALLED UP SHARE CAPITAL</u>	<u>1995</u>	<u>1994</u>
<u>Authorised</u>		
10,000 Ordinary Shares of £1 each	£10,000	£10,000
	=====	=====
<u>Allotted, Called Up, and Fully Paid</u>		
999 Ordinary Shares of £1 each	£999	£999
	===	===

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30th June 1995

12. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	<u>Share Capital</u>	<u>Profit and Loss Account</u>	<u>Total Shareholders' Funds</u>
Balance at 1st July 1993	999	(16,034)	(15,035)
Profit for the year	-	18,154	18,154
	---	-----	-----
Balance at 30th June 1994	999	2,120	3,119
Profit for the year	-	16,091	16,091
	---	-----	-----
Balance at 30th June 1995	£999	£18,211	£19,210
	===	=====	=====

13. FINANCIAL COMMITMENTS

Operating Lease Commitments

At 30th June 1995 the Company was committed to making the following payments in the year ending 30th June 1996 under operating leases analysed according to the period in which each lease expires as follows:

	<u>Land and Buildings</u>	<u>Other</u>
Within one year	-	£1,518
After five years	£5,500	-
	=====	=====

The property lease is subject to three yearly rent reviews.

<u>Capital Commitments</u>	<u>1995</u>	<u>1994</u>
Authorised but not contracted for	£NIL	£35,000
	===	=====

14. POST BALANCE SHEET EVENTS

In December 1995 the Company purchased the remaining 25,000 £1 Ordinary Shares in Shires (Bury St. Edmunds) Limited for cash consideration of £5,000.