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NATIONAL ASSOCIATION OF ESTATE AGENTS

REPORTS AND ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 1999

STILES & CO.
ACCOUNTANTS AND AUDITORS
35A, HIGH STREET, IVER,
BUCKS. SLO 9PP.



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NATIONAL ASSOCIATION OF ESTATE AGENTS

REPORTS AND ACCOUNTS

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The following do not form part of the statutory accounts:

DETAILED PROFIT AND LOSS ACCOUNT

NATIONAL ASSOCIATION OF ESTATE AGENTS

OFFICERS AND PROFESSIONAL ADVISERS

Executive Officers: A. Jeffrey
 J. Smith
 G. Harris
 R. Tonge
 M. Jones

Registered Office: Arbon House,
 21 Jury Street,
 Warwick.
 CV34 4EH.

Auditors: Stiles & Company
 Registered Auditors
 2 Lake End Court,
 Taplow Road,
 Maidenhead, Berks.
 SL6 0JQ.

Bankers: Barclays Bank PLC.

Registrars: Stiles & Company

NATIONAL ASSOCIATION OF ESTATE AGENTS

DIRECTORS' REPORT

The Executive Officers present their annual report and the accounts for the year ended 31 December 1999.

PRINCIPAL ACTIVITY

The principal activity in the year under review was that of the promotion of unity and understanding amongst estate agents and there were no significant changes.

RESULTS AND DIVIDENDS

The surplus for the year, after taxation and extraordinary items, was £102,385 (1998 (£26,247)).

REVIEW OF BUSINESS DEVELOPMENTS

The Executive Officers consider the surplus achieved on ordinary activities before taxation to be satisfactory, and that the state of affairs of the company to be satisfactory.

EXECUTIVE OFFICERS AND THEIR INTERESTS

The Executive Officers in office in the year and the amounts guaranteed by them were as follows:

	31st December	
	1999	1998
	£	£
A. Jeffrey	5	5
J. Smith	5	5
G. Harris	5	5
R. Tonge	5	5
M. Jones	5	5

EXECUTIVE OFFICERS RESPONSIBILITIES

Company law requires the executive officers 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 of the company for that year. In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- follow applicable accounting standards, 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 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 accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

NATIONAL ASSOCIATION OF ESTATE AGENTS

DIRECTORS' REPORT (continued)

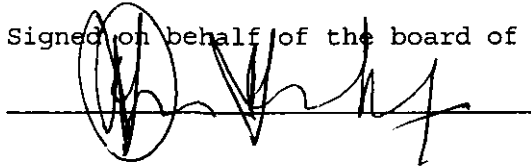
EMPLOYMENT OF DISABLED PERSONS

It is the company's policy to give full consideration to suitable applications for employment from disabled persons. Opportunities also exist for employees who become disabled to continue in their employment or to be trained for other positions within the company.

AUDITORS

The auditors, Stiles & Co. will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

Signed on behalf of the board of directors

A handwritten signature in black ink, consisting of a large, stylized 'B' followed by a series of loops and a final vertical stroke, written over a horizontal line.

25th April, 2000

Date approved by the board:.....

AUDITORS' REPORT TO THE MEMBERS OF
NATIONAL ASSOCIATION OF ESTATE AGENTS

We have audited the accounts on pages 5 - 10 which have been prepared on the basis of the accounting policies set out on page 7.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described in the directors' report on pages 2 - 3, the company's directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts 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 accounts. It also includes an assessment of the significant estimates and judgements by the directors 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 the 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 information in the accounts.

OPINION

In our opinion the accounts give a true and fair view of the state of the company's affairs at 31 December 1999 and of its surplus for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

Stiles & Co.
Registered Auditors
2 Lake End Court,
Taplow Road,
Maidenhead, Berks.
SL6 0JQ

25th April, 2000
Dated:.....

Stiles & Co.

Stiles & Co.

NATIONAL ASSOCIATION OF ESTATE AGENTS

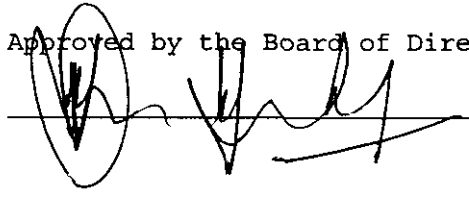
BALANCE SHEET AS AT 31 DECEMBER 1999

		<u>1999</u>	<u>1998</u>
	<u>Note</u>	<u>£</u>	<u>£</u>
<u>FIXED ASSETS</u>			
Tangible assets	2	512,711	536,876
<u>CURRENT ASSETS</u>			
Stocks	3	21,611	20,900
Debtors	4	86,267	115,179
Cash at bank and in hand		1,425,629	1,403,670
		<hr/>	<hr/>
		1,533,507	1,539,749
<u>CREDITORS:</u>			
Amounts falling due within one year	5	509,468	642,264
		<hr/>	<hr/>
NET CURRENT ASSETS		1,024,039	897,485
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		£ 1,536,750	£ 1,434,361
		=====	=====
<u>CAPITAL AND RESERVES</u>			
Reserves		80,000	80,000
Revaluation Reserve	6	285,000	285,000
Profit and loss account	7	1,171,750	1,069,364
		<hr/>	<hr/>
	8	£ 1,536,750	£ 1,434,364
		=====	=====

As directors of the company we confirm:

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the Board of Directors:



Dated: 25th April, 2000

The notes on pages 7 to 10 form part of these accounts.

NATIONAL ASSOCIATION OF ESTATE AGENTS

INCOME AND EXPENDITURE FOR THE YEAR ENDED 31 DECEMBER 1999

	<u>Note</u>	<u>1999</u> £	£	<u>1998</u> £	£
Turnover			1,778,087		1,483,775
Cost of sales			892,935		677,171
			<hr/>		<hr/>
Gross profit			885,152		806,604
Net operating expenses			840,311		919,526
			<hr/>		<hr/>
Operating profit / (loss)					
	9		44,841		(112,922)
			=====		=====
Surplus/ (Loss) on ordinary activities before interest			44,841		(112,922)
Interest receivable and similar income	10		72,157		108,605
			<hr/>		<hr/>
Surplus/ (Loss) on ordinary activities before taxation			116,998		(4,317)
Taxation	11		14,612		21,930
			<hr/>		<hr/>
Surplus/ (Loss) on ordinary activities after taxation			102,386		(26,247)
			=====		=====
Retained Surplus/ (Loss) for the year			102,386		(26,247)
Retained Surplus brought forward			1,069,364		1,095,611
			<hr/>		<hr/>
Retained Surplus carried forward			£ 1,171,750		£ 1,069,364
			=====		=====

Continuing Operations

None of the company's activities were acquired or discontinued during the above two financial years.

Total Recognised Gains and Losses

The company has no recognised gains or losses other than the surplus or deficit for the above two financial years.

The notes on pages 6 to 10 form part of these accounts.

NATIONAL ASSOCIATION OF ESTATE AGENTS

NOTES TO THE ACCOUNTS - 31 DECEMBER 1999

1 ACCOUNTING POLICIES

Accounting Convention

The accounts are prepared under the historical cost convention. The principal accounting policies which the directors have adopted within that convention are set out below, as modified to include the revaluation of certain assets as detailed below.

Turnover

Turnover comprises members subscriptions and the invoiced value of goods and services supplied by the association exclusive of value added tax and discounts.

Depreciation of Tangible Assets

Depreciation is provided, after taking account of any grants receivable, at the following annual rates in order to write off each asset over its estimated useful life:

Leasehold Premises	Over the term of the lease
Fixtures and Fittings	10% on cost
Library Books	25% of W D V
Office Equipment	25% of W D V
Motor Vehicles	25% of Cost

No depreciation has been provided with regards to the Associations freehold property. The Associations property is maintained at all times in a sound condition and to a high standard. Accordingly the directors are of the opinion that the length of life and residual value of the property is such that any depreciation charge would not be material.

Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for any obsolete or slow moving items.

Taxation

Corporation tax is provided at the rate of 25% on Bank Interest, and Building Society Interest (grossed up), less credit for notional income tax already borne, and on net rents received by the Compensation Fund from third parties. Deferred taxation 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.

Research and Development

Expenditure on research and development incurred in the year has been written off.

Foreign Currencies

Any transactions in foreign currencies during the year have been recorded at the rate of exchange ruling at the date of the transaction. Assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the balance sheet date.

Directors

There were no transactions with directors during the year that require disclosure.

Cash Flow Statement

The company claims the entitlement to exemption from FRS1 on the grounds that it is a small company as defined by the Companies Act 1985.

NATIONAL ASSOCIATION OF ESTATE AGENTS

NOTES TO THE ACCOUNTS (continued) - 31 DECEMBER 1999

2 TANGIBLE FIXED ASSETS

	<u>Land and Buildings</u> £	<u>Plant and Equipment</u> £	<u>Motor Vehicles</u> £	<u>Fixtures and Fittings</u> £	<u>Total</u> £
<u>Cost or valuation</u>					
Brought forward	523,147	13,546	46,315	149,481	732,489
	_____	_____	_____	_____	_____
Carried forward	523,147	13,546	46,315	149,481	732,489
	_____	_____	_____	_____	_____
<u>Depreciation</u>					
Brought forward	31,636	11,626	16,816	140,551	200,629
Provision for the year	14,630	480	11,579	2,233	28,922
	_____	_____	_____	_____	_____
Carried forward	46,266	12,106	28,395	142,784	229,551
	_____	_____	_____	_____	_____
<u>Net book value</u>					
1999	476,881	1,440	17,920	6,697	502,938
	=====	=====	=====	=====	=====
1998	491,511	1,920	29,499	8,930	531,860
	=====	=====	=====	=====	=====

SPECIFIC FIXED ASSETS

Investment R.E.A.T.E.A.				<u>9,773</u>	<u>5,016</u>
				£ 9,773	£ 5,016
				=====	=====

3 STOCKS

		1999	1998
		£	£
Stock at Valuation		21,611	20,900
		_____	_____
		£ 21,611	£ 20,900
		=====	=====

NATIONAL ASSOCIATION OF ESTATE AGENTS

NOTES TO THE ACCOUNTS (continued) - 31 DECEMBER 1999

4 DEBTORS

	1999 £	1998 £
Trade and Other Debtors	43,502	59,150
Taxation	2,678	2,676
Prepayments	40,087	53,353
	<hr/>	<hr/>
	£ 86,267	£ 115,179
	=====	=====

5 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1999 £	1998 £
Trade and Other Creditors	425,749	544,676
Taxation and Social Security	23,168	14,508
Accruals	60,551	83,079
	<hr/>	<hr/>
	£ 509,468	£ 642,263
	=====	=====

6 REVALUATION RESERVE

	1999 £	1998 £
Brought forward	285,000	285,000
	<hr/>	<hr/>
Carried forward	£ 285,000	£ 285,000
	=====	=====

7 RESERVES

Revenue Reserves

	1999 £	1998 £
Balance Brought Forward	1,069,364	1,095,611
Surplus/(Loss) for the year	102,386	(26,247)
	<hr/>	<hr/>
Balance Carried Forward	£ 1,171,750	£ 1,069,364
	=====	=====

NATIONAL ASSOCIATION OF ESTATE AGENTS

NOTES TO THE ACCOUNTS (continued) - 31 DECEMBER 1999

8 RECONCILIATION OF MOVEMENTS IN FUNDS

	1999 £	1998 £
Profit / (Loss) for the Year	102,386	(26,247)
Net Addition / (Reduction) to Funds	102,386	(26,247)
Funds Brought Forward	1,434,364	1,460,611
Funds Carried Forward	£ 1,536,750 =====	£ 1,434,364 =====

9 OPERATING PROFIT/(LOSS)

	1999 £	1998 £
Operating profit/(loss) is shown after charging:		
Depreciation on Tangible Fixed Assets	28,920	32,903
Auditors' Remuneration	5,250	5,250
	=====	=====
And after crediting:		
Profit on Sale of Tangible Fixed Assets	-	5,141
	=====	=====

10 INTEREST RECEIVABLE AND SIMILAR INCOME

	1999 £	1998 £
Bank Interest	42,182	72,766
Building Society Interest	29,975	35,839
	=====	=====
	£ 72,157	£ 108,605
	=====	=====

11 TAXATION

	1999 £	1998 £
U.K. Corporation Tax		
Provision based upon interest received in the year	£ 14,612	£ 21,930
	=====	=====