

CAPITAL VALUE BROKERS LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 1998

F.W. Stephens & Co.
Chartered Accountants
10 Charterhouse Square
LONDON EC1M 6LQ



CAPITAL VALUE BROKERS LIMITED

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FOR THE YEAR ENDED 31ST MARCH 1998

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CAPITAL VALUE BROKERS LIMITED

OFFICERS AND ADVISORS

DIRECTORS	C.V. Bishop (Chairman) Mrs M.R. Bishop C.J. Atty M.P. Drew L. Durden T.G. Hails K.A. Webster B.W.J. Manning C.M. Moore C. Timms
SECRETARY	C.V. Bishop
REGISTERED OFFICE	17 Dufferin Street, London, EC1Y 8NJ.
BUSINESS ADDRESS	17 Dufferin Street, London, EC1Y 8NJ.
REGISTERED NUMBER	01528236
REGISTERED AUDITORS	F.W. Stephens & Co. Chartered Accountants, 10 Charterhouse Square, LONDON EC1M 6LQ.
BANKERS	National Westminster Bank plc, 1 Finsbury Square, London, EC2A 1AA.

CAPITAL VALUE BROKERS LIMITED

DIRECTORS' REPORT

The directors present herewith their annual report, together with the audited financial statements of the company for the year ended 31st March 1998.

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements 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 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;
- prepare the financial statements on a 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 enable the directors to ensure that the financial statements comply with the Companies Act 1985. The directors are 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.

RESULTS AND DIVIDENDS

The profit for the year after taxation amounted to £1,779,354 (1997: profit £209,974).

The directors do not recommend payment of a dividend for the current period.

PRINCIPAL ACTIVITY

The principal activity of the company is the broking of and consulting on leases.

DIRECTORS AND THEIR INTERESTS

The directors of the company during the year and their interests in the share capital of the company were as follows:

	<u>Ordinary £1 Shares</u>	
	<u>1998</u>	<u>1997</u>
C.V. Bishop	1	1
Mrs M.R. Bishop	1	1
C.J. Atty	-	-
M.P. Drew	-	-
L. Durden	-	-
T.G. Hails	-	-
K.A. Webster	-	-
B.W.J. Manning	-	-
C.M. Moore (appointed 1st April 1997)	-	-
C. Timms (appointed 23rd June 1997)	-	-

CAPITAL VALUE BROKERS LIMITED

DIRECTORS' REPORT (Continued)

REGISTERED AUDITORS

Messrs. F.W. Stephens and Co. have expressed their willingness to remain in office and in accordance with section 385 Companies Act 1985, a resolution proposing their reappointment as Registered Auditors will be placed before the members at the forthcoming Annual General Meeting.

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

By Order of the Board

C.V. Bishop
Secretary

C.V. Bishop

21. 9. 1998

AUDITORS REPORT TO THE MEMBERS OF

CAPITAL VALUE BROKERS LIMITED

We have audited the financial statements on pages 5 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements 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 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 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 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st March 1998 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.

10 Charterhouse Square
LONDON EC1M 6LQ


F.W. Stephens & Co.
Registered Auditors
Chartered Accountants

29th September 1998

CAPITAL VALUE BROKERS LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH 1998

	<u>Notes</u>	<u>1998</u> £	<u>1997</u> £
Turnover	1	3,581,251	625,283
Operating costs		1,362,596	598,988
		<hr/>	<hr/>
OPERATING PROFIT	2	2,218,655	26,295
Interest receivable		368,525	288,544
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		2,587,180	314,839
Tax on ordinary activities	3	807,826	104,865
		<hr/>	<hr/>
RETAINED PROFIT FOR THE YEAR		1,779,354	209,974
Retained profit brought forward		4,682,656	4,472,682
		<hr/>	<hr/>
RETAINED PROFIT CARRIED FORWARD		£ 6,462,010	£ 4,682,656
		<hr/>	<hr/>

There are no recognised gains and losses other than the profit for the financial year.

All amounts relate to continuing activities.

The attached notes form an integral part of these financial statements.

CAPITAL VALUE BROKERS LIMITED

BALANCE SHEET
AS AT 31ST MARCH 1998

	<u>Notes</u>	<u>1998</u>	<u>1997</u>
		£	£
FIXED ASSETS			
Tangible assets	4	9,063	8,884
CURRENT ASSETS			
Debtors	5	2,567,851	30,581
Cash at bank and in hand		5,342,260	4,855,396
		<u>7,910,111</u>	<u>4,885,977</u>
CREDITORS - amounts falling due within one year	6	<u>(1,457,162)</u>	<u>(203,090)</u>
NET CURRENT ASSETS		<u>6,452,949</u>	<u>4,682,887</u>
ASSETS LESS CURRENT LIABILITIES		<u>6,462,012</u>	<u>4,691,771</u>
Provisions for liabilities and charges	7	-	(9,113)
NET ASSETS		<u>£ 6,462,012</u>	<u>£ 4,682,658</u>

Financed by:

CAPITAL AND RESERVES

Called up share capital	8	2	2
Profit and loss account		6,462,010	4,682,656
		<u>£ 6,462,012</u>	<u>£ 4,682,658</u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and the Financial Reporting Standard for Smaller Entities.

Approved by the board on 21. 4. 1998

C.V. Bishop - Director

C.V. Bishop

The attached notes form an integral part of these financial statements.

CAPITAL VALUE BROKERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31ST MARCH 1998

1. ACCOUNTING POLICIES

1.1 Basis of preparation of accounts

The financial statements are prepared under the historical cost convention.

The company has taken advantage of the exemption in Financial Reporting Standard No. 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

1.2 Turnover

Turnover represents invoiced fees, excluding value added tax.

1.3 Depreciation of tangible assets

Depreciation of tangible fixed assets is charged on all assets:

Computer equipment	- 25% on cost
Motor vehicles	- 25% on cost

1.4 Deferred taxation

Provision is made for taxation deferred as a result of material timing differences between the incidence of income and expenditure for taxation and accounts purposes, using the liability method, only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the near future.

2. OPERATING PROFIT

	<u>1998</u>	<u>1997</u>
	£	£
This is stated after charging:		
Directors' remuneration	997,864	307,752
Compensation for loss of office	7,000	-
Auditors' remuneration	1,500	1,000
Depreciation of tangible fixed assets	4,976	3,783
	<u> </u>	<u> </u>

3. TAXATION

	<u>1998</u>	<u>1997</u>
	£	£
The tax charge on the profit on ordinary activities for the year was as follows:		
U.K corporation tax at 31% (1997 - 33%)	816,873	106,000
Deferred taxation	(9,113)	(233)
Taxation overprovided in previous years:		
Corporation tax	66	(902)
	<u> </u>	<u> </u>
	£807,826	£104,865
	<u> </u>	<u> </u>

CAPITAL VALUE BROKERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
31ST MARCH 1998

4. TANGIBLE FIXED ASSETS

	<u>Fixtures and fittings</u>	<u>Plant and equipment</u>	<u>Motor vehicles</u>	<u>Total</u>
	£	£	£	£
Cost:				
At 1st April 1997	15,356	15,211	29,105	59,672
Additions	-	5,155	-	5,155
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31st March 1998	15,356	20,366	29,105	64,827
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Depreciation:				
At 1st April 1997	15,356	6,327	29,105	50,788
Charge for year	-	4,976	-	4,976
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31st March 1998	15,356	11,303	29,105	55,764
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net book value at 31st March 1998	£ -	£ 9,063	£ -	£ 9,063
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net book value at 31st March 1997	£ -	£ 8,884	£ -	£ 8,884
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

5. DEBTORS

Due within one year:

	<u>1998</u>	<u>1997</u>
	£	£
Trade debtors	2,490,746	-
Other debtors	77,105	30,581
	<u> </u>	<u> </u>
	£2,567,851	£ 30,581
	<u> </u>	<u> </u>

6. CREDITORS - AMOUNTS FALLING DUE
WITHIN ONE YEAR

	<u>1998</u>	<u>1997</u>
	£	£
Trade creditors	4,406	6,277
Corporation tax	816,873	105,467
Other taxes and social security costs	534,354	61,071
Directors' current accounts	99,629	24,629
Other creditors	-	4,146
Accruals	1,900	1,500
	<u> </u>	<u> </u>
	£1,457,162	£203,090
	<u> </u>	<u> </u>

CAPITAL VALUE BROKERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31ST MARCH 1998

7. DEFERRED TAXATION

	<u>1998</u>		<u>1997</u>	
	Provision made	Amount unprovided	Provision made	Amount unprovided
	£	£	£	£
Other timing differences	-	-	9,113	-
	-	-	9,113	-
£	-	-	£ 9,113	£ -

Movements on the provision for deferred taxation are:-

	£
At 1st April 1997	9,113
Transferred from profit and loss account	(9,113)
	-
At 31st March 1998	£ -

8. SHARE CAPITAL

	<u>1998</u>	<u>1997</u>
	£	£
Authorised, issued, called up and fully paid ordinary shares of £1 each	2	2

9. RECONCILIATION OF MOVEMENTS IN
SHAREHOLDERS' FUNDS

	<u>1998</u>	<u>1997</u>
	£	£
Opening shareholders' funds	4,682,658	4,472,684
Profit for the financial year	1,779,354	209,974
Closing shareholders' funds	£6,462,012	£4,682,658

10. CONTROLLING PARTY

The company is under the control of Mr and Mrs C V Bishop who own 100% of the share capital.

CAPITAL VALUE BROKERS LIMITED
DETAILED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH 1998

F.W. Stephens & Co.
Chartered Accountants
10 Charterhouse Square
LONDON EC1M 6LQ

CAPITAL VALUE BROKERS LIMITED

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH 1998

	<u>1998</u> £	<u>1997</u> £
TURNOVER	3,581,251	625,283
ADMINISTRATIVE EXPENSES (page 2)	(1,377,896)	(629,947)
TRADING PROFIT	2,203,355	(4,664)
OTHER OPERATING INCOME		
Rent receivable	15,300	17,802
Sundry Income	-	13,224
OTHER INCOME		
Interest receivable:		
Bank interest	368,525	288,544
OTHER EXPENSES		
Interest payable:		
Other interest	-	(67)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2,587,180	314,839
Tax on ordinary activities	807,826	104,865
PROFIT FOR THE YEAR	1,779,354	209,974
Retained profit brought forward	4,682,656	4,472,682
RETAINED PROFIT CARRIED FORWARD	£6,462,010	£4,682,656

CAPITAL VALUE BROKERS LIMITED

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH 1998

	<u>1998</u>	<u>1997</u>
	£	£
ADMINISTRATIVE EXPENSES		
Employment expenses:		
Director's remuneration	1,004,864	307,752
Salaries	120,378	109,554
Social security costs	110,622	40,897
Pension costs	-	1,745
Recruiting fees	-	23,270
Establishment expenses:		
Insurance, Rent and Rates	39,545	40,481
Light and heat	2,320	1,586
Office Cleaning	2,834	2,961
Repairs and maintenance	4,863	5,279
General expenses:		
Subscriptions	381	1,116
Printing, postage and stationery	11,822	13,273
Periodicals	1,380	1,598
Advertising	-	1,026
Telephone	4,733	5,336
Training	1,809	1,064
Security	322	669
Office Equipment Maintenance	2,475	1,484
Photocopying/fax	762	543
Hire of Equipment	323	308
Travelling expenses	17,897	16,639
Couriers	1,999	2,134
Entertaining	24,892	35,296
Sundry expenses	7,926	4,756
Financial expenses:		
Accountancy	2,512	2,536
Audit fees	1,500	1,000
Under provision in prior year	-	100
Legal and professional fees	1,060	1,225
Underprovision in prior year	-	(100)
Bank charges	1,021	536
Consultancy	4,680	2,100
Depreciation:		
Fixtures and fittings	-	27
Plant and equipment	4,976	3,756
	<u>£ 1,377,896</u>	<u>£ 629,947</u>