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STRATTONS & CO (CONSULTANT SURVEYORS)  
LIMITED

FINANCIAL STATEMENTS

30 JUNE 1998

Registered number: 3173146

DUNHAMS

CHARTERED ACCOUNTANTS

Manchester



STRATTONS & CO (CONSULTANT SURVEYORS) LIMITED

FINANCIAL STATEMENTS

for the year ended 30 June 1998

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The following pages do not form part of the statutory accounts

Detailed trading and profit and loss account	Appendices 1 and 2
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COMPANY INFORMATION

30 June 1998

INCORPORATED	In England and Wales on 15 March 1996
NUMBER	3173146
DIRECTORS	J Stenson A Dardis
SECRETARY	J Stenson
REGISTERED OFFICE	11 Warwick Road Old Trafford Manchester M16 0QQ
BANKERS	Barclays Bank plc Altrincham Branch 63 Stamford New Road Altrincham WA14 1DR
SOLICITORS	Paul Ross & Company Alberton House The Parsonage Manchester M3 2WJ
AUDITORS	Dunhams Chartered Accountants 11 Warwick Road Old Trafford Manchester M16 0QQ

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## STRATTONS &amp; CO (CONSULTANT SURVEYORS) LIMITED

## DIRECTORS' REPORT

30 June 1998

The directors present their report and the audited financial statements for the year ended 30 June 1998.

**Principal activity**

The principal activity of the company is that of rating valuation consultants.

**Business review**

The company's balance sheet as detailed on page 6 shows a satisfactory position, shareholders' funds amounting to £419,923.

**Results and dividends**

The results for the year are shown in the profit and loss account on page 5. An ordinary dividend amounting to £600,000 is proposed.

**Directors**

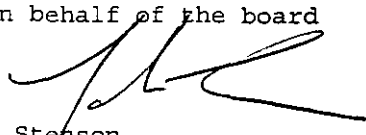
The directors of the company during the year and their interests in the shares of the company as recorded in the register of directors' interests were as follows:

	30 June 1998 Ordinary shares	1 July 1997 Ordinary shares
J Stenson	10,000	2
A Dardis	-	-

**Share capital****Auditors**

Dunhams have agreed to offer themselves for re-appointment as auditors of the company.

On behalf of the board

  
J Stenson  
Secretary

11 Warwick Road  
Old Trafford  
Manchester  
M16 0QQ

31 March 1999

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## STRATTONS &amp; CO (CONSULTANT SURVEYORS) LIMITED

## STATEMENT OF 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 apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements 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 financial statements comply with the Companies Act 1985. They 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.

31 March 1999

On behalf of the board

  
J Stenson  
Director

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## STRATTONS &amp; CO (CONSULTANT SURVEYORS) LIMITED

## AUDITORS' REPORT

Auditors' report to the members of

Strattons &amp; Co (Consultant Surveyors) Limited

We have audited the financial statements on pages 5 to 12 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

**Respective responsibilities of directors and auditors**

As described on page 3, the company's directors are responsible for the preparation of 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 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 financial statements are free from material misstatement, whether caused by fraud or error or other irregularity. 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 30 June 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Manchester  
23 April 1999

Dunhams  
Registered Auditors  
Chartered Accountants

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## PROFIT AND LOSS ACCOUNT

for the year ended 30 June 1998

	Note	1998 £	1997 £
Turnover	2	5,293,885	4,941,196
Cost of sales		(2,890,702)	(3,097,500)
Gross profit		2,403,183	1,843,696
Net operating expenses			
Distribution costs		(67,343)	(56,546)
Administrative expenses		(1,400,031)	(1,192,434)
Other operating income		31,960	36,919
Operating profit	3	967,769	631,635
Interest payable	4	(608)	(103)
Profit on ordinary activities before taxation		967,161	631,532
Taxation	5	(293,269)	(205,500)
Profit on ordinary activities after taxation		673,892	426,032
Dividends	6	(600,000)	(90,000)
Retained profit for the year	12	73,892	336,032

Movements in reserves are shown in note 12.

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

There were no recognised gains and losses in 1998 or 1997 other than the profit for the year.

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## STRATTONS &amp; CO (CONSULTANT SURVEYORS) LIMITED

## BALANCE SHEET

at 30 June 1998

	Note	£	1998 £	£	1997 £
<b>Fixed assets</b>					
Tangible assets	7		157,082		121,407
Investments	8		520,378		-
			<u>677,460</u>		<u>121,407</u>
<b>Current assets</b>					
Debtors	9	611,360		538,479	
Cash at bank and in hand		719,663		1,075,237	
		<u>1,331,023</u>		<u>1,613,716</u>	
<b>Creditors:</b> amounts falling due within one year	10	(1,588,560)		(1,399,089)	
<b>Net current (liabilities)/assets</b>			<u>(257,537)</u>		<u>214,627</u>
<b>Total assets less current liabilities</b>			<u>419,923</u>		<u>336,034</u>
<b>Capital and reserves</b>					
Called up share capital	11		10,000		2
Profit and loss account	12		409,923		336,032
<b>Total shareholders' funds</b>	13		<u>419,923</u>		<u>336,034</u>

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

The financial statements on pages 5 to 12 were approved by the board of directors on 23 April 1999 and signed on its behalf by:

J Stenson  
Director



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## STRATTONS &amp; CO (CONSULTANT SURVEYORS) LIMITED

## CASH FLOW STATEMENT

for the year ended 30 June 1998

	Note	1998 £	1997 £
Net cash inflow from operating activities	15	1,162,076	1,127,507
Returns on investments and servicing of finance			
Interest paid		(608)	(103)
Taxation			
Corporation tax (paid)/received		(132,708)	7,100
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(82,938)	(134,214)
Purchase of fixed asset investments		(520,378)	-
		(603,316)	(134,214)
		425,444	1,000,290
Equity dividends paid		(600,000)	(90,000)
		(174,556)	910,290
Financing			
Issue of share capital		9,998	2
Debt due within a year:			
Other loan advances		13,750	21,103
		23,748	21,105
(Decrease)/increase in cash		(150,808)	931,395

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## STRATTONS &amp; CO (CONSULTANT SURVEYORS) LIMITED

## NOTES ON FINANCIAL STATEMENTS

30 June 1998

## 1 Accounting policies

## Basis of accounting

The financial statements have been prepared under the historical cost accounting rules.

## Turnover

Turnover represents the amount derived from the provision of services falling within the company's activities after deduction of trade discounts and value added tax.

## Depreciation

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Motor vehicles	25% on the straight line method
Fixtures and fittings	15% on the straight line method
Computer equipment	33.33% on the straight line method

## Leases and hire purchase contracts

Rentals paid under operating leases are charged to income as incurred.

## Deferred taxation

Deferred taxation is provided on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

## Pensions

## Defined contribution scheme

Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

## 2 Turnover

In the opinion of the directors, none of the turnover of the company is attributable to geographical markets outside the UK (1997 nil).

## STRATTONS &amp; CO (CONSULTANT SURVEYORS) LIMITED

## NOTES ON FINANCIAL STATEMENTS

30 June 1998

## 3 Operating profit

	1998 £	1997 £
Operating profit is stated after crediting:		
Interest receivable	31,960	36,919
and after charging:		
Auditors' remuneration	13,263	8,500
Operating leases:		
Rent	91,098	58,026
Depreciation of tangible fixed assets (note 7):		
Owned assets	47,263	12,807
Impairment losses:		
Tangible fixed assets (note 7)	35,110	25,813
	82,373	38,620

## 4 Interest payable

	1998 £	1997 £
Provision discount	288	-
Interest payable	320	103
	608	103

## 5 Taxation

	1998 £	1997 £
Corporation tax on profit on ordinary activities at 21% (1997 23.25%)	304,000	205,500
Over provision in earlier years	(10,731)	-
	293,269	205,500

## 6 Dividends

	1998 £	1997 £
Equity - ordinary/interim	100,000	90,000
Equity - ordinary/final	500,000	-
	600,000	90,000

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## STRATTONS &amp; CO (CONSULTANT SURVEYORS) LIMITED

## NOTES ON FINANCIAL STATEMENTS

30 June 1998

## 7 Tangible fixed assets

Cost	Motor Vehicles £	Fixtures and Fittings £	Total £
1 July 1997	114,148	20,066	134,214
Additions	65,500	17,438	82,938
30 June 1998	179,648	37,504	217,152
Depreciation			
1 July 1997	10,000	2,807	12,807
Charge for the year	41,425	5,838	47,263
30 June 1998	51,425	8,645	60,070
Net book amount			
30 June 1998	128,223	28,859	157,082
1 July 1997	98,042	23,365	121,407

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## STRATTONS &amp; CO (CONSULTANT SURVEYORS) LIMITED

## NOTES ON FINANCIAL STATEMENTS

30 June 1998

## 8 Fixed asset investments

Investments  
other than  
loans  
£

Cost

Additions

520,378

30 June 1998

520,378

Net book amount

30 June 1998

520,378

1 July 1997

-

1998  
£1997  
£

Quoted securities

Aggregate Cost

520,378

Nil

Aggregate Market Value

709,923

Nil

## 9 Debtors

1998  
£1997  
£

Amounts falling due within one year

Trade debtors

125,934

201,438

Other debtors

485,426

337,041

611,360

538,479

10 Creditors: amounts falling due  
within one year1998  
£1997  
£

Bank overdrafts

-

169,655

Trade creditors

69,333

110,793

Corporation tax

545,661

235,100

Other taxation and social security

309,565

275,051

Other creditors

664,001

608,490

1,588,560

1,399,089

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## STRATTONS &amp; CO (CONSULTANT SURVEYORS) LIMITED

## NOTES ON FINANCIAL STATEMENTS

30 June 1998

## 11 Called up share capital

	1998		1997	
	Number of shares	£	Number of shares	£
Authorised				
Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>	<u>2,000</u>	<u>2,000</u>
Allotted, called up and fully paid				
Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>	<u>2</u>	<u>2</u>

## 12 Profit and loss account

	1998 £
1 July 1997	336,031
Retained profit for the year	<u>73,892</u>
30 June 1998	<u>409,923</u>

## 13 Reconciliation of movements in shareholders' funds

	1998 £	1997 £
Profit for the financial year	673,892	426,032
Dividends	<u>(600,000)</u>	<u>(90,000)</u>
	73,892	336,032
New share capital subscribed	<u>9,998</u>	<u>2</u>
Net addition to shareholders' funds	83,890	336,034
Opening shareholders' funds	<u>336,033</u>	<u>-</u>
Closing shareholders' funds	<u>419,923</u>	<u>336,034</u>

## 14 Related parties

The company was controlled throughout the year by its director, J Stenson.

## STRATTONS &amp; CO (CONSULTANT SURVEYORS) LIMITED

## NOTES ON FINANCIAL STATEMENTS

30 June 1998

## 15 Notes to the cash flow statement

Reconciliation of operating profit  
to operating cash flows

	1998 £	1997 £
Operating profit	967,769	631,635
Depreciation charges	47,263	12,807
Amortisation	35,110	25,813
Decrease/(increase) in debtors	77,119	(515,979)
Increase in creditors	34,815	973,231
Net cash inflow from operating activities	<u>1,162,076</u>	<u>1,127,507</u>

## 16 Notes to the cash flow statement (continued)

## Analysis of changes in net debt

	At start of year £	Cash flows £	At end of year £
Cash at bank and in hand	1,075,237	(355,574)	719,663
Bank overdrafts	(169,655)	169,655	-
		<u>(185,919)</u>	
Debt due within 1 year	(21,103)	(13,750)	(34,853)
		<u>(13,750)</u>	
Total	<u>884,479</u>	<u>(199,669)</u>	<u>684,810</u>

## Reconciliation of net cash flow to movement in net debt

	1998 £	1997 £
(Decrease)/increase in cash in the year	(185,919)	905,582
Cash inflow from increase in debt and lease financing	(13,750)	(21,103)
Change in net debt resulting from cash flows	<u>(199,669)</u>	<u>884,479</u>
Net debt at 1 July 1997	884,479	-
Net debt at 30 June 1998	<u>684,810</u>	<u>884,479</u>

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