

Amending Copy

3090178

TOWNENDS & BADGERS (GROUP) LIMITED

REPORT AND ACCOUNTS

PERIOD ENDED 31 DECEMBER 1996



TOWNENDS & BADGERS (GROUP) LIMITED
DIRECTORS' REPORT

DIRECTORS: A A Addinall (appointed 7.9.95)
R J Gray (appointed 7.9.95)
C P Hesse (appointed 15.9.95)
J D Stevens (appointed 15.9.95)

SECRETARY: R J Kitt (appointed 8.11.95)

REGISTERED OFFICE: 45 Baker Street, Weybridge, Surrey, KT13 8AE

REGISTERED NUMBER: 3090178

The directors present their report together with the accounts of the company for the period ended 31 December 1996.

The company was incorporated on 11 August 1995 as Novaburn Limited. Its name was changed by special resolution on 7 September 1995.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare accounts for each financial period 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 these accounts, the directors are required to:

- (i) select suitable accounting policies and then apply them consistently;
- (ii) make judgements and estimates that are reasonable and prudent;
- (iii) 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 for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PRINCIPAL ACTIVITY

The principal activity of the company during the period under review was that of a holding company.

No profit and loss account is presented for the period because the only trade taking place was the acquisition of subsidiaries.

DIRECTORS AND THEIR INTERESTS

The directors of the company at 31 December 1996 are shown above.

The directors had beneficial interests in the share capital of the company as follows:

	At 31 December 1996	On incorporation
	Ordinary shares of £1 each	
R J Gray & A A Addinall (jointly)	150	-
C P Hesse	25	-
J D Stevens	25	-
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TOWNENDS & BADGERS (GROUP) LIMITED
DIRECTORS' REPORT (CONTINUED)

AUDITORS

Warrener Stewart, Chartered Accountants, of Harwood House, 43 Harwood Road, London, SW6 4QP, were appointed as first auditors of the company by the directors and will be proposed for reappointment at the forthcoming annual general meeting.

BASIS OF PREPARATION

This report has been prepared in accordance with the special provisions of Part VII of Companies Act 1985 relating to small companies.

On behalf of the Board

R J Kitt



Date

23/2/98

**AUDITORS' REPORT TO THE SHAREHOLDERS OF
TOWNENDS & BADGERS (GROUP) LIMITED**

We have audited the accounts on pages 4 to 6 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 1 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 made 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 1996 and have been properly prepared in accordance with the Companies Act 1985 as applicable to small companies.

Warrene Stewart

**WARRENER STEWART
CHARTERED ACCOUNTANTS AND REGISTERED AUDITORS**

Harwood House
43 Harwood Road
London
SW6 4QP

Date *24 Feb 1998*

TOWNENDS & BADGERS (GROUP) LIMITED
BALANCE SHEET AS AT 31 DECEMBER 1996

	Notes	£	£
FIXED ASSETS			
Investments	2		201
CURRENT ASSETS			
Debtors		201	
CREDITORS: Amounts falling due within one year	4	<u>201</u>	
NET CURRENT ASSETS			<u>-</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>£201</u>
 CAPITAL AND RESERVES			
Called up share capital	3		<u>201</u>
SHAREHOLDERS' FUNDS INCLUDING NON-EQUITY INTERESTS			<u>£201</u>

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

Approved by:

A A Addinall 

Date 23/2/98

The attached notes 1 to 4 form a part of these accounts.

TOWNENDS & BADGERS (GROUP) LIMITED
NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 31 DECEMBER 1996

1. ACCOUNTING POLICIES

The following accounting policy has been used consistently in dealing with items which are considered material in relation to the accounts.

INVESTMENTS

Investments are included in these accounts at the cost of the ordinary share capital acquired. Adjustments to this value are only made when, in the opinion of the directors, a permanent diminution in value has taken place and where there is no prospect of any improvement in the foreseeable future.

2. INVESTMENTS

Shares in subsidiary undertakings (at cost) £201

Details of these subsidiary undertakings are as follows:

Subsidiary undertaking	Trade	% holding in ordinary issued share capital
Townends & Badgers Limited	Residential estate agents	100
Townends & Badgers (Financial Services) Limited	Financial services advisers	100
Townends (Twickenham) Limited	Residential estate agents	50

All subsidiary undertakings are incorporated in the United Kingdom.

On 7 September 1995 the company acquired 100% of the issued ordinary share capital of the recently formed company Townends & Badgers Limited.

On 29 April 1996 the company acquired 100% of the issued ordinary share capital of the recently formed company Townends & Badgers (Financial Services) Limited.

On 13 March 1996 the company acquired 50% of the issued ordinary share capital of the recently formed company Townends (Twickenham) Limited.

The results of the wholly owned subsidiary undertakings for the period ended 31 December 1996 and net assets at that date were as follows:

	Profit/ (loss)	Net assets/ (liabilities)
	£	£
Townends & Regents (Badgers) Limited	(965,752)	(965,652)
Townends & Badgers (Financial Services) Limited	20,982	21,082

Townends (Twickenham) Limited was incorporated on 13 March 1996 and will draw up its first accounts to 31 March 1997. As such, there is no "relevant financial year" as defined by S3(5) of Schedule 5 to the Companies Act 1985 for which financial information is available.

TOWNENDS & BADGERS (GROUP) LIMITED
NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 31 DECEMBER 1996 (CONTINUED)

3. SHARE CAPITAL

	£
Authorised:	
Ordinary shares of £1 each	200
Preference share of £1 each	1
	<hr/>
	£201
	<hr/>
Allotted, issued and fully paid:	
Equity interests	
Ordinary shares of £1 each	200
Non-equity interests	
Preference share of £1 each	1
	<hr/>
	£201
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On incorporation of the company on 11 August 1995 2 subscriber shares were issued.

On 16 September 1995:-

- 1) The authorised share capital of the company was increased by one hundred and one shares.
- 2) 198 ordinary shares of £1 each were issued for cash at par.
- 3) The authorised, unissued ordinary share was converted into 1 preference share of £1.
- 4) The company adopted new Articles of Association.
- 5) The company allocated the one preference share of £1 in accordance with the terms of subscription and Shareholders Agreement entered into in connection with arrangements for the provision of long term working capital.

The preference share carries rights to conversion as specified in the Articles of Association, which include priority on a winding up. The ordinary shares arising on such a conversion would rank pari passu with the ordinary shares then in issue.

4. RELATED PARTY TRANSACTIONS

Balances with related parties arising during the period were as follows:

BALANCES WITH RELATED PARTIES

Creditor balances

Townends & Badgers Limited	100
Townends & Badgers (Financial Services) Limited	100
Townends (Twickenham) Limited	1
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NATURE OF RELATIONSHIPS

Townends & Badgers Limited, Townends & Badgers (Financial Services) Limited and Townends (Twickenham) Limited are subsidiary undertakings of the company (see note 2).