

COMPANY NUMBER: 1420429

DOUGLAS & GORDON LIMITED
DIRECTORS' REPORT AND ACCOUNTS
31 MARCH 1997

**HORWATH
CLARK WHITEHILL**
Chartered Accountants

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DOUGLAS & GORDON LIMITED
DIRECTORS' REPORT

Directors: P D T Willcox (Chairman)
P D R Talbot Willcox
C M Alabaster
I Dickinson
E Mead
T Buckley (Appointed 7 November 1996)

Secretary: M E Hodgson

Registered Office: 21 Milner Street, London SW3 2QD

The directors present their report and the accounts for the year ended 31 March 1997.

RESULTS AND DIVIDENDS

The profit for the year amounted to £329,786 (1996 - £163,959).

A dividend was paid on the preference shares of £212,628 (1996: £56,115).

An interim dividend of £10.81 per share was declared at 31 March 1997.

PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS DEVELOPMENTS

The activities of the company consist of estate agency and property management services in the central London area.

DOUGLAS & GORDON LIMITED
DIRECTORS' REPORT (CONTINUED)

DIRECTORS' INTERESTS

Directors interests in the share capital of the company at 1 April 1996 and 31 March 1997 are as follows:

	Ordinary shares of £1 each	
	31 March 1997 £	31 March 1996 £
I Dickinson	1,315	-

According to the register maintained as required under Section 325 of the Companies Act 1985, the interests of the directors and their families in the share capital of Eggar, Forrester (Holdings) Limited are as set out below.

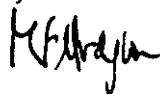
	Eggar, Forrester (Holdings) Limited	
	31 March 1997	31 March 1996
P D R Talbot Willcox		
Ordinary shares of 10p each, fully paid	1,763,640	1,763,640
Convertible preferred ordinary shares of 10p each, fully paid	421,062	421,062
P D T Willcox		
Ordinary shares of 10p each, fully paid	1,082,794	1,082,794
Convertible preferred ordinary shares of 10p each, fully paid	258,740	258,740

AUDITORS

After the year end the auditors changed their name to Horwath Clark Whitehill and have signed their audit report in their new name.

Horwath Clark Whitehill have indicated their willingness to continue in office and a resolution to reappoint them will be proposed at the Annual General Meeting.

By Order of the Board



Secretary

Rodwell House
Middlesex Street
London E1 7HJ

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

The following statement, which should be read in conjunction with the auditors' statement of auditors responsibilities set out below, is made for the purpose of clarifying for members, the respective responsibilities of the directors and the auditors in the preparation of the accounts.

The directors are required by the Companies Act 1985 to prepare accounts which give a true and fair view of the state of affairs of the company at the end of the financial year and of its profit or loss for the year ended on that date. The directors consider that in preparing the accounts, the company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates and confirm that all applicable accounting standards have been followed. The accounts have been prepared on a going concern basis.

The directors have responsibility for ensuring that the company keeps accounting records which disclose with reasonable accuracy at any time the financial position of the company and which enable them to ensure that the accounts comply with the Companies Act 1985. The directors also have responsibility for safeguarding the assets of the company and for the prevention and detection of fraud and other irregularities.

AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the accounts on pages 4 to 18 which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 9.

Respective Responsibilities of Directors and Auditors

As described above the 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 the information in the accounts.

Unqualified Opinion

In our opinion, the accounts give a true and fair view of the state of the company's affairs at 31 March 1997 and of the profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

28th January 1998

Howard Clark Wicks

Chartered Accountants
and Registered Auditors

DOUGLAS & GORDON LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 MARCH 1997

	Notes	1997 £	1996 £
TURNOVER	2	4,052,635	2,643,372
Operating costs	3	<u>3,599,787</u>	<u>2,370,156</u>
OPERATING PROFIT	4	452,848	273,216
Interest receivable		55,940	67,170
Interest payable	6	<u>12,241</u>	<u>10,827</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		496,547	329,559
Tax on profit on ordinary activities	7	<u>166,761</u>	<u>165,600</u>
PROFIT FOR THE FINANCIAL YEAR		329,786	163,959
Dividends	8	<u>497,073</u>	<u>56,115</u>
(LOSS) ABSORBED/RETAINED PROFIT FOR THE FINANCIAL YEAR		<u>(167,287)</u>	<u>107,844</u>
STATEMENT OF RETAINED RESERVES			
1 April 1996		310,366	202,522
(Loss)/profit for the financial year		<u>(167,287)</u>	<u>107,844</u>
31 MARCH 1997		<u>143,079</u>	<u>310,366</u>

The profit and loss account contains all the gains and losses recognised in the current and preceding year and the loss absorbed/profit retained in these years is the only movement in the shareholders' funds.

The notes on pages 6 to 18 form part of these accounts

DOUGLAS & GORDON LIMITED

BALANCE SHEET

31 MARCH 1997

	Notes	1997 £	1996 £
FIXED ASSETS			
Intangible assets	9	75,792	78,205
Tangible assets	10	180,580	123,712
Investments	11	1,567	-
		<u>257,939</u>	<u>201,917</u>
CURRENT ASSETS			
Debtors: amounts falling due within one year	12	1,148,146	974,260
amounts falling due after more than one year	13	3,673	4,505
Cash at bank and in hand	14	2,881,989	2,375,112
		<u>4,033,808</u>	<u>3,353,877</u>
CREDITORS: amounts falling due within one year	15	<u>4,014,426</u>	<u>2,809,183</u>
NET CURRENT ASSETS		<u>19,382</u>	<u>544,694</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>277,321</u>	<u>746,611</u>
CREDITORS: amounts falling due after more than one year	16	54,177	59,930
PROVISIONS FOR LIABILITIES AND CHARGES	17	<u>45,065</u>	<u>51,315</u>
NET ASSETS		<u>178,079</u>	<u>635,366</u>
CAPITAL AND RESERVES			
Called up share capital	18	26,315	325,000
Share premium account		8,685	-
Profit and loss account	19	143,079	310,366
SHAREHOLDERS' FUNDS	20	<u>178,079</u>	<u>635,366</u>

Approved by the Board on
and signed on its behalf:



Director

The notes on pages 6 to 18 form part of these accounts

DOUGLAS & GORDON LIMITED
CASH FLOW STATEMENT
YEAR ENDED 31 MARCH 1997

		1997 £	1996 £
Net cash inflow/(outflow) from operating activities	1	554,367	(75,425)
Returns on investments and servicing of finance	3	(181,622)	12,247
Taxation		143	-
Capital expenditure and financial investment	3	<u>(70,079)</u>	<u>5,832</u>
		302,809	(57,346)
Equity dividends paid		<u>-</u>	<u>-</u>
		302,809	(57,346)
Management of liquid resources	3	-	-
Financing	3	<u>(329,011)</u>	<u>(30,583)</u>
Decrease in cash		<u>(26,202)</u>	<u>(87,929)</u>

NOTES TO THE CASH FLOW STATEMENT

1	RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	1997 £	1996 £
	Operating profit	452,848	273,216
	Depreciation charges	59,075	47,282
	Decrease in debtors	(157,825)	(439,998)
	Decrease in amounts due to group undertakings	(34,812)	(29,337)
	Increase in creditors	241,331	77,153
	Decrease in provision for liabilities and charges	<u>(6,250)</u>	<u>(3,741)</u>
	NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	<u>554,367</u>	<u>(75,425)</u>

The notes on pages 6 to 18 form part of these accounts

DOUGLAS & GORDON LIMITED
NOTES TO THE CASH FLOW STATEMENT (CONTINUED)
YEAR ENDED 31 MARCH 1997

2.	RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS (NOTE 4)	1997 £	1996 £		
	Decrease in cash in the period	(26,202)	(87,929)		
	Cash inflow from increase in lease financing	<u>39,011</u>	<u>30,583</u>		
	Change in net funds resulting from cash flow	12,809	(57,346)		
	New finance leases	<u>(44,186)</u>	<u>(30,779)</u>		
	Movement in net funds in the period	(31,377)	(88,125)		
	Net funds at 1 April 1996	<u>35,515</u>	<u>123,640</u>		
	Net funds at 31 March 1997	<u>4,138</u>	<u>35,515</u>		
3.	GROSS CASH FLOWS	£	£		
	Returns on investments and servicing of finance				
	Interest received	43,247	79,189		
	Interest paid	(12,241)	(10,827)		
	Dividends paid on non-equity shares	<u>(212,628)</u>	<u>(56,115)</u>		
		<u>(181,622)</u>	<u>12,247</u>		
	Capital expenditure				
	Payments to acquire tangible fixed assets	(93,744)	(7,435)		
	Receipts from sales of tangible fixed assets	24,400	12,435		
	Purchase of trade investment	(1,567)	-		
	Receipts from sales of intangible fixed assets	<u>832</u>	<u>832</u>		
		<u>(70,079)</u>	<u>5,832</u>		
	Financing		-		
	Issue of ordinary share capital	10,000	-		
	Redemption of preference shares	(300,000)	-		
	Capital elements of finance lease rental payments	<u>(39,011)</u>	<u>(30,583)</u>		
		<u>(329,011)</u>	<u>(30,583)</u>		
4.	ANALYSIS OF CHANGES IN NET FUNDS				
		At 1 April 1996 £	Cash Flows £	Other Changes £	At 31 March 1997 £
	Cash at bank and in hand	118,066	(26,202)		91,864
	Overdrafts	-			
	Debt due within 1 year:				
	Finance leases	(22,621)			(33,549)
	Debt due after more than 1 year:		39,011	(44,186)	
	Finance leases	<u>(59,930)</u>			<u>(54,177)</u>
	Total	<u>35,515</u>	<u>12,809</u>	<u>(44,186)</u>	<u>4,138</u>

DOUGLAS & GORDON LIMITED
NOTES TO THE CASH FLOW STATEMENT (CONTINUED)
YEAR ENDED 31 MARCH 1997

5. MAJOR NON-CASH TRANSACTIONS

- i) During the year the company entered into finance lease arrangements in respect of assets with a capital value of £44,186 (1996: £30,779).
- ii) During the year the company proposed an interim ordinary dividend of £284,445.

DOUGLAS & GORDON LIMITED

NOTES TO THE ACCOUNTS

31 MARCH 1997

1. ACCOUNTING POLICIES

a) **Accounting Convention**

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

b) **Depreciation of Tangible Fixed Assets**

The fixed assets of the business are written off by equal annual instalments over their expected useful lives as follows:

Fixtures and fittings	5 to 10 years
Motor vehicles	5 years
Computer equipment	5 years

Leasehold improvements are amortised over the life of the lease.

c) **Intangible Fixed Assets**

Goodwill arising on the purchase of a business is written off in equal annual instalments over forty years, which represents its expected useful economic life.

d) **Leasing Contracts**

Assets acquired under finance leases are included in tangible fixed assets and the obligations to pay future instalments are shown under creditors.

The finance cost is charged on a straight line basis as an approximation to produce a constant periodic rate of return on the remaining balance.

Operating lease rentals are charged on a straight line basis over the lease term.

e) **Deferred Taxation**

Provision is made for deferred taxation, using the liability method, on all timing differences to the extent that it is likely that a liability will crystallise.

f) **Pension Benefits**

The regular annual cost of the pension scheme is charged in the profit and loss account. The difference between this and the contribution paid during the year is included in debtors or provisions.

A pension fund surplus is currently being dealt with as a reduction in the regular annual cost over the average remaining service lives of the members.

The pension scheme is further described in note 22.

DOUGLAS & GORDON LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
31 MARCH 1997

2. TURNOVER

Turnover comprises the invoice value of commissions charged to clients, less commission payable to other agents, excluding VAT.

The turnover derives from the company's principal activities of estate agency and property management services carried on within the UK.

3. OPERATING COSTS	1997	1996 £
Staff costs (note 5)	2,155,609	1,356,421
Depreciation and other amounts written off tangible and intangible fixed assets	70,828	55,181
Other operating charges	1,373,350	958,554
	<u>3,599,787</u>	<u>2,370,156</u>

4. OPERATING PROFIT

This is stated after charging/(crediting):

Auditors' remuneration	13,237	13,286
Auditors' remuneration for non audit work	1,390	750
Operating lease rentals	142,120	97,843
Bad and doubtful debts	2,101	(571)
Profit on sale of fixed assets	<u>(11,753)</u>	<u>(7,899)</u>

DOUGLAS & GORDON LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
31 MARCH 1997

5. EMOLUMENTS OF DIRECTORS AND STAFF

	1997 £	1996 £
i) Directors' Remuneration		
Aggregate emoluments (excluding pension contributions)	<u>426,857</u>	<u>144,603</u>
	No.	No.
Number of directors accruing benefits under defined benefits schemes	<u>4</u>	<u>3</u>
	£	£
Highest paid director:		
Aggregate emoluments (excluding pension contributions)	<u>146,167</u>	<u>80,321</u>
Defined benefit scheme:		
Accrued annual pension at end of year	<u>6,214</u>	<u>4,265</u>
ii) Staff costs (including directors)	£	£
Wages and salaries	1,927,828	1,192,449
Social security costs	178,368	127,800
Other pension costs	<u>49,413</u>	<u>36,172</u>
	<u>2,155,609</u>	<u>1,356,421</u>

The monthly average number of employees of the company during the year was 59 (1996 - 51).

6. INTEREST PAYABLE

	1997 £	1996 £
Aggregate finance charges allocated for the year in respect of finance leases	<u>12,241</u>	<u>10,827</u>

DOUGLAS & GORDON LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
31 MARCH 1997

7. TAX ON PROFIT ON ORDINARY ACTIVITIES	1997	1996
	£	£
Based on the profit for the year:		
UK Corporation Tax	164,496	109,650
Under provision in previous year	2,265	55,950
	<u>166,761</u>	<u>165,600</u>

The potential deferred tax asset at 31 March 1997 which has not been accounted for, is as follows:

	1997	1996
	£	£
Pension fund contribution unpaid	15,000	17,000
Other timing differences	4,000	3,000
	<u>19,000</u>	<u>20,000</u>

If the deferred tax asset at 31 March 1997 and 31 March 1996 had been fully accounted for, no material change in the tax charge would have arisen.

8. DIVIDENDS	1997	1996
	£	£
Preference dividends paid	212,628	56,115
Proposed interim dividend on Ordinary shares of £10.81 per share	284,445	-
	<u>497,073</u>	<u>56,115</u>

9. FIXED ASSETS - INTANGIBLE ASSETS

Goodwill arising on the purchase of a business at cost:	£
1 April 1996 and 31 March 1997	<u>96,500</u>
Amortisation	
1 April 1996	18,295
Charge for the year	<u>2,413</u>
31 March 1997	<u>20,708</u>
Net book values	
31 March 1997	<u>75,792</u>
31 March 1996	<u>78,205</u>

DOUGLAS & GORDON LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
31 MARCH 1997

10. FIXED ASSETS - TANGIBLE ASSETS

	Leasehold improvements	Computer Equipment	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£	£
Cost or Valuation					
1 April 1996	1,230	76,876	86,148	83,288	247,542
Additions	1,540	74,395	54,499	7,496	137,930
Disposals	-	(19,196)	(10,092)	(35,111)	(64,399)
31 March 1997	2,770	132,075	130,555	55,673	321,073
Depreciation					
1 April 1996	410	45,492	41,305	36,623	123,830
Charge for the year	501	30,257	24,855	12,803	68,416
Disposals	-	(19,196)	(10,092)	(22,465)	(51,753)
31 March 1997	911	56,553	56,068	26,961	140,493
Net book values					
31 March 1997	1,859	75,522	74,487	28,712	180,580
<i>31 March 1996</i>	<i>820</i>	<i>31,384</i>	<i>44,843</i>	<i>46,665</i>	<i>123,712</i>

The net book value of:

- a) Motor vehicles £28,712 (1996 - £46,665) includes an amount of £24,995 (1996 - £45,745) in respect of assets held under finance leases.
- b) Computer equipment £75,522 (1996 - £31,384) includes an amount of £44,176 (1996 - £26,678) in respect of assets held under finance leases.
- c) Fixtures and fittings £74,487 (1996 - £44,843) includes an amount of £10,216 (1996 - £8,327) in respect of assets held under finance leases.

11. INVESTMENTS

	1997	1996
	£	£
Unlisted, at directors valuation	<u>1,567</u>	<u>-</u>

DOUGLAS & GORDON LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
31 MARCH 1997

12. DEBTORS	1997	1996
Amounts falling due within one year	£	£
Trade debtors	780,229	458,857
Amounts owed by group undertakings	49,320	32,985
Other debtors	223,678	418,927
Taxation and social security	17,067	-
Prepayments and accrued income	77,852	63,491
	<u>1,148,146</u>	<u>974,260</u>
13. DEBTORS		
Amounts falling due after more than one year:		
Other debtors	<u>3,673</u>	<u>4,505</u>
14. CASH AT BANK AND IN HAND		
Cash at bank and in hand	91,864	118,066
Amounts held on behalf of clients	<u>2,790,125</u>	<u>2,257,046</u>
	<u>2,881,989</u>	<u>2,375,112</u>
15. CREDITORS:		
Amounts falling due within one year		
Amounts held on behalf of clients	2,790,125	2,257,046
Amounts owed to group undertakings	217,089	19,338
Other creditors	398,619	171,535
Taxation and social security	548,784	280,306
Obligations under finance leases	33,549	22,621
Accruals and deferred income	26,260	58,337
	<u>4,014,426</u>	<u>2,809,183</u>

DOUGLAS & GORDON LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
31 MARCH 1997

16. CREDITORS:	1997	1996
Amounts falling due after more than one year:	£	£
Obligations under finance leases (note (a))	<u>54,177</u>	<u>59,930</u>
	<u>54,177</u>	<u>59,930</u>
(a) Obligations due under finance leases, net of finance charges:		
Due within one year (note 15)	33,549	22,621
Due within one to two years	22,685	20,543
Due within two to five years	<u>31,492</u>	<u>39,387</u>
	<u>87,726</u>	<u>82,551</u>
17. PROVISIONS FOR LIABILITIES AND CHARGES		
Pension provision	<u>45,065</u>	<u>51,315</u>
18. SHARE CAPITAL	1997	1996
	£	£
Authorised, issued and fully paid:		
26,315 Ordinary shares of £1 each	26,315	25,000
300,000 Cumulative preference shares of £1 each, bearing interest at 2% over bank base rate (minimum 12% per annum)	<u>-</u>	<u>300,000</u>
	<u>26,315</u>	<u>325,000</u>

The cumulative preference shares were redeemed during the year at par. During the year, 1,315 Ordinary shares of £1 each were issued at a premium of £8,685.

DOUGLAS & GORDON LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
31 MARCH 1997

19. PROFIT AND LOSS ACCOUNT

	Total £	Attributable to Equity Interest £	Non-Equity Interest £
Profit for the financial year	329,786	303,286	26,500
Non-equity preference dividend - paid	(212,628)	-	(212,628)
Equity dividend - proposed	(284,445)	(284,445)	-
	(167,287)	18,841	(186,128)
Balance at 1 April 1996	310,366	124,238	186,128
Balance at 31 March 1997	143,079	143,079	-

The finance cost of cumulative preference dividends is £26,500 (1996: £36,000).

20. SHAREHOLDERS' FUNDS

	1997 £	1996 £
Attributable to:		
Non-Equity interests		
Share capital	-	300,000
Profit and loss account	-	186,128
	-	486,128
Attributable to:		
Equity interests		
Share capital	26,315	25,000
Share premium account	8,685	-
Profit and loss account	143,079	124,238
	178,079	149,238

21. ULTIMATE HOLDING COMPANY

The company is a subsidiary of Eggar, Forrester (Holdings) Limited.

DOUGLAS & GORDON LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
31 MARCH 1997

22. EGGAR, FORRESTER CENTENARY PENSION SCHEME

The company is a member of this Scheme.

The Eggar, Forrester Centenary Pension Scheme is a funded defined benefit arrangement. The pension cost and provision are assessed in accordance with the advice of an independent, professionally qualified actuary, who completed a formal actuarial valuation of the Scheme as at 31 March 1995. The actuarial valuation was based on the projected unit method and the following long-term assumptions:

	% per annum
Investment return	9
Salary escalation	7
Earnings limits escalation	6
Dividend growth	4

The market value of the assets of the Scheme as at the valuation date, net of the assets in respect of Additional Voluntary Contributions, was £2,263,000 and the level of funding was 109%. The surplus is being utilised by a reduction in contributions over the next six years.

As regards the company, the pension cost charge for the year was £49,413 and the pension provision at the year end was £45,065 (note 17).

The next formal actuarial revaluation of the scheme will be at 31 March 1998.

23. COMMITMENTS

a) Material Commitments to term Lease Rental Payments

	Land and buildings		Other	
	1997	1996	1997	1996
	£	£	£	£
Operating lease rentals payable in 1997/98 relating to commitments expiring:				
Within 1 year	41,000	8,000	17,671	3,256
Between 2 and 5 years	-	33,000	109,703	95,434
After five years	124,584	105,535	-	-
	<u>165,584</u>	<u>146,535</u>	<u>127,374</u>	<u>98,690</u>

b) Capital Commitments

The directors have authorised future capital expenditure which amounts to:

	1997	1996
	£	£
Contracted for	<u>95,202</u>	<u>72,897</u>

DOUGLAS & GORDON LIMITED
NOTES TO THE ACCOUNTS (Continued)
31 MARCH 1997

24. MATERIAL RELATED PARTY TRANSACTIONS

The company is controlled by Mr P D R Talbot Willcox and Mrs J A Talbot Willcox. The company is a 76% subsidiary of Eggar, Forrester (Holdings) Limited (Holdings).

During the year the company made the following charges to group companies for services it supplied:

Management charges :	Eggar, Forrester Financial Services Limited (EFFS)	£ 18,000
Commission charges :	Eggar, Forrester Financial Services Limited (EFFS)	£ 13,710
Management charges:	Eggar, Forrester Limited (EF)	£ 26,000

During the year the company paid preference dividends of £212,628 to Holdings and redeemed the preference capital of £300,000 held by that company. An ordinary dividend was proposed for the year and the amount due to Holdings at 31 March 1997 was £223,000.

Independently, the company owed the following amounts for group relief:

Eggar, Forrester Limited (EF)	£253,000
Holdings	£ 27,500

At 31 March 1997, the company was owed the following amounts by group companies:

Eggar, Forrester Financial Services Limited (EFFS)	£ 26,994
Eggar, Forrester Limited (EF)	£ 22,326

The company rents an office at 21 Milner Street, London, SW3 2QD, from the Eggar, Forrester Centenary Pension Scheme paying £31,750 p.a.

The company is a related party of Wilks Shipping Company Limited, (Wilks), which owns 42% of Holdings and has common directorships and shareholders.

During the year the company leased office and computer equipment from Wilks at market rates, the equipment being capitalised as fixed assets. At 31 March 1997, the equipment had a written down value of £19,043 and £31,401 was due to Wilks under leasing obligations over periods of 15 to 34 months. Wilks leased offices to the company at various locations at market rates amounting to £73,126 p.a.

During the year the company paid £133,040 management charges to Wilks. As part of its own trading activities, the company managed properties for Wilks, charging commission at market levels amounting to £7,120.

At 31 March 1997 the company was owed by Wilks £197,719.