



Financial Statements Goadsby & Harding (Residential) Limited

For the Year Ended 30 June 2009

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Company No. 1871280

Company information

Company registration number	1871280
Registered office	99 Holdenhurst Road Bournemouth Dorset BH8 8DY
Directors	P R Atfield R D N Craven D Errington N Price G Carter S G Cumming K E Smith J Dennett J R Doerr A P Arkwright
Secretary	D Errington
Website	www.goadsby.com
Auditor	Grant Thornton UK LLP Chartered Accountants Registered Auditor No 1 Dorset Street Southampton Hampshire SO15 2DP

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Report of the residential managing director

Results

Despite the challenging economic environment, the company achieved an operating profit of £573,000 (2008 £303,000) on a turnover of just under £7.2m (2008 £10.5m). The board considers this to be a creditable result in the circumstances.

These results reflect a further full year's contributions from the Denfords and Landesays acquisitions of two years ago. The board are pleased with the progress that has been made with the integration of these businesses and their positive contributions to the overall profitability of the Group.

The company's results are monitored monthly by the main board. Our key performance indicators continue to be revenue levels, pipeline sales and operating profitability on an individual branch basis.

Residential market

The number of house sales continued to decrease rapidly until January 2009 due to the adverse effects of the credit crunch which led to reduced accessibility to mortgage finance to home owners. The calendar year 2009, however, has seen a steady increase in transactions with prices stabilising and even rising in certain areas.

We continue to focus on providing a high quality professional service to our clients.

The performance of our residential lettings division has again been very good, and our residential sales division recovered well in the period from January to June and is making a reasonable profit in 2009.

Balance sheet

The company's balance sheet remains strong at just over £4.1m. The board has also focussed on cash collection during the year with trade debtors reducing from £590,000 to £445,000.

Outlook

Despite a further challenging year, profitability has increased. With further cost reductions, the group should continue to increase profitability as trading returns to more normal levels.

N Price
18 December 2009



Report of the directors

The directors present their report and the financial statements of the company for the year ended 30 June 2009

Principal activities and business review

The company is principally engaged in residential estate agency

There was a profit for the year after taxation amounting to £394,858 (2008 a profit of £187,715) The detailed Business Review is included within the managing director's report and forms part of the Report of the Directors

Results and dividends

The profit for the year, after taxation, amounted to £394,858 The directors have not recommended a dividend

Financial risk management objectives and policies

The company uses financial instruments, other than derivatives, comprising borrowings, cash and other liquid resources and various other items such as trade debtors and creditors that arise directly from its operations The main purpose of these financial instruments is to raise finance for the company's operations The main risks arising from the company financial instruments are interest rate risk and liquidity risk The directors review and agree policies for managing each of these risks and they are summarised below The policies have remained unchanged from previous periods

Interest rate risk

The company finances its operations through a mixture of retained profits, bank borrowings, inter-company accounts and finance leases The company's exposure to interest rate fluctuations on its borrowings is managed on a group basis by the use of both fixed and floating facilities

Liquidity risk

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably Primarily this is achieved through inter-company accounts or through loans arranged at group level Short term flexibility is achieved by overdraft facilities

Directors

The directors who served the company during the year were as follows

P R Atfield
R D N Craven
D Errington
N Price
G Carter
S G Cumming
K E Smith
L M A Matthews
J Dennett
J R Doerr
A P Arkwright

L M A Matthews resigned as a director on 19 January 2009
D N Huck was appointed as a director on 1 July 2009

Directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements are required by law to 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 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 the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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

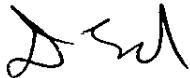
In so far as the directors are aware

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

Auditor

Grant Thornton UK LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies Act 2006

BY ORDER OF THE BOARD



D Errington
Director
18 December 2009



Report of the independent auditor to the members of Goadsby & Harding (Residential) Limited

We have audited the financial statements of Goadsby & Harding (Residential) Limited for the year ended 30 June 2009 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Sections 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/UKNP.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 June 2009 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Report of the independent auditor to the members of Goadsby & Harding (Residential) Limited (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Stephen Mills
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Southampton
12 December 2009

Principal accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement

Turnover

Turnover comprises commission and fees receivable, exclusive of Value Added Tax. Commissions on sales of residential properties are recognised as earned when the contract for sale is exchanged, provided that thereafter the contract is, or is expected to be, completed

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Goodwill - straight line over 20 years

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Leasehold improvements - straight line over the period of the lease
Fixtures, furniture & equipment - 10% & 20% straight line
Motor vehicles - 25% reducing balance

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis

Finance lease agreements

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account on a straight line basis, and the capital element which reduces the outstanding obligation for future instalments

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease

Pension costs

Defined contribution schemes

The pension costs charged against profits represent the amount of the contributions payable to the schemes in respect of the accounting period

Deferred taxation

Deferred tax is recognised on all timing differences where the transactions or events that give the company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using current rates of tax.

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Profit and loss account

	Note	2009 £	2008 £
Turnover	1	7,196,148	10,407,326
Other operating income		<u>79,617</u>	<u>72,884</u>
		7,275,765	10,480,210
Operating costs			
Staff costs	2	3,686,340	5,483,814
Depreciation written off fixed assets	3	339,383	387,700
Other operating charges		<u>2,676,752</u>	<u>4,305,965</u>
Operating profit	3	573,290	302,731
Interest receivable		3,125	4,312
Interest payable and similar charges	5	<u>(14,263)</u>	<u>(33,308)</u>
Profit on ordinary activities before taxation		562,152	273,735
Tax on profit on ordinary activities	6	167,294	86,020
Profit for the financial year	22	<u>394,858</u>	<u>187,715</u>

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the year as set out above

Balance sheet

	Note	2009 £	2008 £
Fixed assets			
Intangible assets	7	460,664	489,316
Tangible assets	8	1,059,770	1,380,031
		<u>1,520,434</u>	<u>1,869,347</u>
Current assets			
Debtors	9	6,978,490	7,061,641
Cash at bank and in hand		452,018	109,677
		<u>7,430,508</u>	<u>7,171,318</u>
Creditors: amounts falling due within one year	10	<u>4,778,497</u>	<u>5,088,657</u>
Net current assets		<u>2,652,011</u>	<u>2,082,661</u>
Total assets less current liabilities		<u>4,172,445</u>	<u>3,952,008</u>
Creditors: amounts falling due after more than one year	11	<u>14,730</u>	<u>152,807</u>
		<u>4,157,715</u>	<u>3,799,201</u>
Provisions for liabilities			
Deferred taxation	14	26,095	62,439
		<u>4,131,620</u>	<u>3,736,762</u>
Capital and reserves			
Called-up equity share capital	20	265,254	265,254
Share premium account	21	367,517	367,517
Profit and loss account	22	3,498,849	3,103,991
Shareholders' funds	23	<u>4,131,620</u>	<u>3,736,762</u>

These financial statements were approved by the directors and authorised for issue on 18 December 2009, and are signed on their behalf by



D Errington
Director

N Price
Director



Company registration number 1871280

The accompanying accounting policies and notes form part of these financial statements.

Notes to the financial statements

1 Turnover

The turnover and profit before tax are attributable to the one principal activity of the company
 An analysis of turnover is given below

	2009 £	2008 £
United Kingdom	<u>7,196,148</u>	<u>10,407,326</u>

2 Directors and employees

The average number of persons employed by the company during the financial year, including the directors, amounted to 187 (2008 - 293)

The aggregate payroll costs of the above were

	2009 £	2008 £
Wages and salaries	3,273,685	4,888,629
Social security costs	333,209	504,648
Other pension costs	79,446	90,537
	<u>3,686,340</u>	<u>5,483,814</u>

3 Operating profit

Operating profit is stated after charging

	2009 £	2008 £
Amortisation	28,652	52,046
Depreciation of owned fixed assets	255,461	256,901
Depreciation of assets held under hire purchase agreements	43,723	76,404
Loss on disposal of fixed assets	11,547	2,349
Auditor's remuneration		
Audit fees	3,640	3,640
Operating lease costs		
Other	<u>532,801</u>	<u>523,628</u>

4 Directors

Remuneration in respect of directors was as follows

	2009 £	2008 £
Emoluments receivable	725,347	781,523
Value of company pension contributions to money purchase schemes	75,573	89,998
	<u>800,920</u>	<u>871,521</u>

Emoluments of highest paid director

	2009 £	2008 £
Total emoluments (excluding pension contributions)	100,396	97,742
Value of company pension contributions to money purchase schemes	15,090	16,594
	<u>115,486</u>	<u>114,336</u>

The number of directors who accrued benefits under company pension schemes was as follows

	2009 No	2008 No
Money purchase schemes	<u>7</u>	<u>7</u>

5 Interest payable and similar charges

	2009 £	2008 £
Interest payable on bank borrowing	3,661	12,368
Finance charges payable under hire purchase agreements	10,602	20,940
	<u>14,263</u>	<u>33,308</u>

6 Taxation on ordinary activities

(a) Analysis of charge in the year

	2009 £	2008 £
Current tax		
In respect of the year		
UK Corporation tax based on the results for the year at 28% (2008 - 29 50%)	148,000	13,000
Under/(over) provision in prior year	1,538	(7,284)
	<u>149,538</u>	<u>5,716</u>
Payment for group losses	54,100	76,000
Total current tax	<u>203,638</u>	<u>81,716</u>
Deferred tax		
Origination and reversal of timing differences	(36,344)	4,304
Tax on profit on ordinary activities	<u>167,294</u>	<u>86,020</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 28% (2008 - 29 50%)

	2009 £	2008 £
Profit on ordinary activities before taxation	<u>562,152</u>	<u>273,735</u>
Profit on ordinary activities by rate of tax	157,403	80,752
Expenses not deductible for tax purposes	7,716	16,689
Capital allowances for period less/(more) than depreciation	24,028	(7,413)
Other timing differences	12,999	(213)
Payment for group loss relief	(46)	(815)
Under/(over) provision in prior year	1,538	(7,284)
Total current tax (note 6(a))	<u>203,638</u>	<u>81,716</u>

7 Intangible fixed assets

	Goodwill £
Cost	
At 1 July 2008 and 30 June 2009	<u>606,517</u>
Amortisation	
At 1 July 2008	117,201
Charge for the year	28,652
At 30 June 2009	<u>145,853</u>
Net book value	
At 30 June 2009	<u>460,664</u>
At 30 June 2008	<u>489,316</u>

8 Tangible fixed assets

	Short leaseholds & leasehold improvements £	Fixtures, furniture & equipment £	Motor vehicles £	Total £
Cost				
At 1 July 2008	323,155	2,051,666	945,777	3,320,598
Additions	–	21,723	–	21,723
Disposals	–	(228,851)	(189,153)	(418,004)
At 30 June 2009	<u>323,155</u>	<u>1,844,538</u>	<u>756,624</u>	<u>2,924,317</u>
Depreciation				
At 1 July 2008	285,444	1,077,775	577,348	1,940,567
Charge for the year	8,392	209,399	81,393	299,184
On disposals	–	(228,851)	(146,353)	(375,204)
At 30 June 2009	<u>293,836</u>	<u>1,058,323</u>	<u>512,388</u>	<u>1,864,547</u>
Net book value				
At 30 June 2009	<u>29,319</u>	<u>786,215</u>	<u>244,236</u>	<u>1,059,770</u>
At 30 June 2008	<u>37,711</u>	<u>973,891</u>	<u>368,429</u>	<u>1,380,031</u>

Included within the net book value of £1,059,770 is £139,650 (2008 - £285,837) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £43,723 (2008 - £76,404).

9 Debtors

	2009	2008
	£	£
Trade debtors	444,937	590,589
Amounts owed by group undertakings	4,463,724	4,308,730
Corporation tax repayable	–	45,281
Loan to parent company	1,450,000	1,450,000
Loan to fellow group companies in respect of transfer of undertakings	249,190	249,190
Other debtors	38,785	82,336
Prepayments and accrued income	331,854	335,515
	<u>6,978,490</u>	<u>7,061,641</u>

The loan to the parent company of £1,450,000 and the loan to fellow group companies in respect of transfer of undertakings of £249,190 are due after more than one year

10 Creditors: amounts falling due within one year

	2009	2008
	£	£
Bank overdraft (secured)	235,386	518,628
Bank loans	69,951	63,596
Trade creditors	501,586	828,855
Amounts owed to group undertakings	2,889,642	2,612,972
Corporation tax	160,850	–
Other taxation and social security	521,300	610,116
Amounts due under hire purchase agreements	66,127	141,620
Other creditors	82,116	44,501
Accruals and deferred income	251,539	268,369
	<u>4,778,497</u>	<u>5,088,657</u>

Included in other creditors are outstanding pension contributions of £71,206 (2008 £26,983)

11 Creditors: amounts falling due after more than one year

	2009	2008
	£	£
Bank loans	7,903	79,748
Amounts due under hire purchase agreements	6,827	73,059
	<u>14,730</u>	<u>152,807</u>

12 Creditors - borrowings

Creditors include finance capital which is due for repayment as follows

	2009	2008
	£	£
Amounts repayable		
In one year or less or on demand	305,337	582,224
In more than one year but not more than two years	7,903	67,687
In more than two years but not more than five years	-	12,061
	<u>313,240</u>	<u>661,972</u>

The bank facilities are secured by fixed and floating charges over the assets of the company and by unlimited cross-guarantees between the company and its group undertakings

13 Commitments under hire purchase agreements

Future commitments under hire purchase agreements net of future finance lease charges are as follows

	2009	2008
	£	£
Amounts payable within 1 year	66,127	141,620
Amounts payable between 1 and 2 years	6,827	66,233
Amounts payable between 3 and 5 years	-	6,826
	<u>72,954</u>	<u>214,679</u>

14 Deferred taxation

The movement in the deferred taxation provision during the year was

	2009	2008
	£	£
Provision brought forward	62,439	58,135
Profit and loss account movement arising during the year	(36,344)	4,304
Provision carried forward	<u>26,095</u>	<u>62,439</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of

	2009	2008
	£	£
Excess of taxation allowances over depreciation on fixed assets	47,148	71,114
Other timing differences	(21,053)	(8,675)
	<u>26,095</u>	<u>62,439</u>

15 Leasing commitments

At 30 June 2009 the company had annual commitments under non-cancellable operating leases as set out below

	Land & buildings	
	2009	2008
	£	£
Operating leases which expire		
Within 1 year	103,300	62,000
Within 2 to 5 years	201,150	173,050
After more than 5 years	229,250	282,800
	<u>533,700</u>	<u>517,850</u>

16 Capital commitments

The company had no capital commitments at 30 June 2009 or 30 June 2008

17 Contingent liabilities

Bank facilities of the company and its parent are secured by fixed and floating charges over the assets of the company and guarantees between the company and certain other group companies

There were no other contingent liabilities at 30 June 2009 and 30 June 2008

18 Pension commitments

The company operates a number of defined contribution pension schemes designed to provide retirement benefits for its directors and employees. The assets of the schemes are held separately from those of the company in independently administered funds

19 Related party transactions

As a wholly owned subsidiary of Goadsby & Harding (Holdings) Limited, which itself is owned by St Gresham Limited, the company is exempt from the requirements of FRS 8 to disclose transactions with other members of the group headed by St Gresham Limited

During the year the company paid rent of £96,750 (2008 £98,404) to St Peters Limited, a company in which D Errington and D N Huck are directors. At the year end the company owed £32,250 (2008 £24,235) in respect of this rent. These transactions were at arms length and in the normal course of business

During the year the company paid rent of £53,500 (2008 £53,500) to St Harding Limited a company in which D Errington and W M Parker are directors. At the year end the company owed £23,542 (2008 £15,222) in respect of this rent. These transactions were at arms length and in the normal course of business

20 Share capital

Authorised share capital

	2009	2008
	£	£
1,000,000 Ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>

Allotted, called up and fully paid

	2009		2008	
	No	£	No	£
Ordinary shares of £1 each	<u>265,254</u>	<u>265,254</u>	<u>265,254</u>	<u>265,254</u>

21 Share premium account

There was no movement on the share premium account during the financial year

22 Profit and loss account

	2009	2008
	£	£
Balance brought forward	3,103,991	2,916,276
Profit for the financial year	<u>394,858</u>	<u>187,715</u>
Balance carried forward	<u>3,498,849</u>	<u>3,103,991</u>

23 Reconciliation of movements in shareholders' funds

	2009	2008
	£	£
Profit for the financial year	394,858	187,715
Opening shareholders' funds	<u>3,736,762</u>	<u>3,549,047</u>
Closing shareholders' funds	<u>4,131,620</u>	<u>3,736,762</u>

24 Ultimate parent company

The company's immediate holding company is Goadsby & Harding (Holdings) Limited, which is itself a wholly owned subsidiary of St Gresham Limited

Consolidated accounts for St Gresham Limited incorporating the results of Goadsby & Harding (Residential) Limited are available from the registered office