



Financial statements Goadsby & Harding (Residential) Limited

For the Year Ended 30 June 2010

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Company No. 1871280

Company information

Company registration number	1871280
Registered office	99 Holdenhurst Road Boumemouth Dorset BH8 8DY
Directors	P R Atfield R D N Craven D Errington D N Huck 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 Statutory Auditor No 1 Dorset Street Southampton Hampshire SO15 2DP

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Report of the residential chairman

Results

In this continuing challenging economic environment, the company is pleased to report an increase in operating profit from £573,290 in 2009 to £1,257,396 this year

As previously reported, the company undertook a comprehensive strategy review and restructuring program starting as early as January 2008. This early and decisive action has resulted in a significantly reduced cost base and the company has seen the tangible benefits of this during 2010 with increased profitability.

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

Residential market

Total residential fee income increased by 15% reflecting a strong first half financial performance, particularly in residential sales, followed by a slightly subdued market around the General Election and subsequent Emergency Budget.

There was again a positive contribution to company profitability from lettings which remains a key division within the company, and indeed the Goadsby Group.

Outlook

Although activity levels increased again towards the end of the financial year, we are currently seeing further evidence of a possible reduction in sales. Therefore, whilst we are pleased with these reported results, the company remains cautious given all the economic uncertainties and will therefore continue to seek to maximise revenues and robustly monitor operating costs.



Nigel Price
Residential Chairman

12 October 2010

Report of the directors

The directors present their report and the financial statements of the company for the year ended 30 June 2010

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 £893,846 (2009 a profit of £394,858) The detailed Business Review is included within the chairman's report and forms part of the Report of the Directors

Going concern

The directors have made an assessment in preparing these financial statements as to whether the company is a going concern and have concluded that there are no material uncertainties that may cast doubt on the company's ability to continue as a going concern

Results and dividends

The profit for the year, after taxation, amounted to £893,846 Particulars of dividends paid are detailed in note 7 to the financial statements

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
D N Huck
N Price
G Carter
S G Cumming
K E Smith
J Dennett
J R Doerr
A P Arkwright

D N Huck was appointed as a director on 1 July 2009

Directors' responsibilities

The directors are responsible for preparing the Directors' 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). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 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 are sufficient to show and explain the company's transactions and 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
Secretary

12 October 2010



Independent auditor's report 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 2010 which comprise the principal accounting policies, profit and loss account, 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 Chapter 3 of Part 16 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 2010 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 report of the directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report 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

Grant Thornton MK LLP

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

12 October 2010

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	2010 £	2009 £
Turnover	1	8,286,236	7,196,148
Other operating income		70,128	79,617
		<u>8,356,364</u>	<u>7,275,765</u>
Staff costs	2	3,931,618	3,686,340
Depreciation written off fixed assets	3	308,657	339,383
Other operating charges		2,858,693	2,676,752
Operating profit	3	<u>1,257,396</u>	<u>573,290</u>
Interest receivable		157	3,125
Interest payable and similar charges	5	(4,717)	(14,263)
Profit on ordinary activities before taxation		<u>1,252,836</u>	<u>562,152</u>
Tax on profit on ordinary activities	6	358,990	167,294
Profit for the financial year	23	<u>893,846</u>	<u>394,858</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	2010 £	2009 £
Fixed assets			
Intangible assets	8	432,012	460,664
Tangible assets	9	916,537	1,059,770
		<u>1,348,549</u>	<u>1,520,434</u>
Current assets			
Debtors	10	7,370,550	6,978,490
Cash at bank and in hand		463,192	452,018
		<u>7,833,742</u>	<u>7,430,508</u>
Creditors, amounts falling due within one year	11	<u>4,229,756</u>	<u>4,778,497</u>
Net current assets		<u>3,603,986</u>	<u>2,652,011</u>
Total assets less current liabilities		<u>4,952,535</u>	<u>4,172,445</u>
Creditors: amounts falling due after more than one year	12	12,863	14,730
Provisions for liabilities			
Deferred taxation	15	34,206	26,095
		<u>4,905,466</u>	<u>4,131,620</u>
Capital and reserves			
Called-up equity share capital	21	265,254	265,254
Share premium account	22	367,517	367,517
Profit and loss account	23	4,272,695	3,498,849
Shareholders' funds	24	<u>4,905,466</u>	<u>4,131,620</u>

These financial statements were approved by the directors and authorised for issue on ¹² October 2010, and are signed on their behalf by



D Errington



N Price

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

	2010	2009
	£	£
United Kingdom	<u>8,286,236</u>	<u>7,196,148</u>

2 Directors and employees

The average number of persons employed by the company during the financial year, including the directors, amounted to 176 (2009 - 187)

The aggregate payroll costs of the above were

	2010	2009
	£	£
Wages and salaries	3,457,837	3,273,685
Social security costs	364,891	333,209
Other pension costs	108,890	79,446
	<u>3,931,618</u>	<u>3,686,340</u>

3 Operating profit

Operating profit is stated after charging/(crediting)

	2010	2009
	£	£
Amortisation of intangible assets	28,652	28,652
Depreciation of owned fixed assets	229,009	255,461
Depreciation of assets held under hire purchase agreements	51,567	43,723
Profit/(loss) on disposal of fixed assets	(571)	11,547
Auditor's remuneration		
Audit fees	4,000	3,640
Operating lease costs		
- Other	<u>507,558</u>	<u>532,801</u>

4 Directors

Remuneration in respect of directors was as follows

	2010	2009
	£	£
Remuneration receivable	853,907	725,347
Value of company pension contributions to money purchase schemes	100,135	75,573
	<u>954,042</u>	<u>800,920</u>

Remuneration of highest paid director

	2010	2009
	£	£
Total remuneration (excluding pension contributions)	141,293	100,396
Value of company pension contributions to money purchase schemes	25,729	15,090
	<u>167,022</u>	<u>115,486</u>

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

	2010	2009
	No	No
Money purchase schemes	<u>7</u>	<u>7</u>

5 Interest payable and similar charges

	2010	2009
	£	£
Interest payable on bank borrowing	906	3,661
Finance charges payable under hire purchase agreements	3,811	10,602
	<u>4,717</u>	<u>14,263</u>

6 Taxation on ordinary activities

(a) Analysis of charge in the year

	2010	2009
	£	£
Current tax		
In respect of the year		
UK Corporation tax based on the results for the year at 28% (2009 - 28%)	260,000	148,000
(Over)/under provision in prior year	(5,421)	1,538
	<u>254,579</u>	<u>149,538</u>
Payment for group losses	96,300	54,100
Total current tax	350,879	203,638
Deferred tax		
Origination and reversal of timing differences	8,111	(36,344)
Tax on profit on ordinary activities	<u>358,990</u>	<u>167,294</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% (2009 - 28%)

	2010	2009
	£	£
Profit on ordinary activities before taxation	<u>1,252,836</u>	<u>562,152</u>
Profit on ordinary activities by rate of tax	350,794	157,403
Expenses not deductible for tax purposes	9,674	7,716
Capital allowances for period less than depreciation	9,020	24,028
Other timing differences	(12,842)	12,999
Payment for group loss relief	(346)	(46)
Under/(over) provision in prior year	(5,421)	1,538
Total current tax (note 6(a))	<u>350,879</u>	<u>203,638</u>

7 Dividends

Dividends on shares classed as equity

	2010	2009
	£	£
Paid during the year		
Dividends on equity shares	<u>120,000</u>	<u>—</u>

8 Intangible fixed assets

	Goodwill £
Cost	
At 1 July 2009 and 30 June 2010	<u>606,517</u>
Amortisation	
At 1 July 2009	145,853
Charge for the year	28,652
At 30 June 2010	<u>174,505</u>
Net book value	
At 30 June 2010	<u>432,012</u>
At 30 June 2009	<u>460,664</u>

9 Tangible fixed assets

	Short leaseholds & leasehold improvements £	Fixtures, furniture & equipment £	Motor vehicles £	Total £
Cost				
At 1 July 2009	323,155	1,844,538	756,624	2,924,317
Additions	–	83,411	71,059	154,470
Disposals	–	(86,579)	(84,883)	(171,462)
At 30 June 2010	<u>323,155</u>	<u>1,841,370</u>	<u>742,800</u>	<u>2,907,325</u>
Depreciation				
At 1 July 2009	293,836	1,058,323	512,388	1,864,547
Charge for the year	8,235	197,824	74,517	280,576
On disposals	–	(86,579)	(67,756)	(154,335)
At 30 June 2010	<u>302,071</u>	<u>1,169,568</u>	<u>519,149</u>	<u>1,990,788</u>
Net book value				
At 30 June 2010	<u>21,084</u>	<u>671,802</u>	<u>223,651</u>	<u>916,537</u>
At 30 June 2009	<u>29,319</u>	<u>786,215</u>	<u>244,236</u>	<u>1,059,770</u>

Included within the net book value of £916,537 is £154,740 (2009 - £139,650) 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 £51,567 (2009 - £43,723)

10 Debtors

	2010	2009
	£	£
Trade debtors	475,890	444,937
Amounts owed by group undertakings	4,868,170	4,463,724
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	20,317	38,785
Prepayments and accrued income	306,983	331,854
	<u>7,370,550</u>	<u>6,978,490</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

11 Creditors: amounts falling due within one year

	2010	2009
	£	£
Bank overdraft (secured)	-	235,386
Bank loans	8,075	69,951
Trade creditors	501,291	501,586
Amounts owed to group undertakings	2,589,233	2,889,642
Corporation tax	234,057	160,850
Other taxation and social security	352,740	521,300
Amounts due under hire purchase agreements	48,319	66,127
Other creditors	59,874	82,116
Accruals and deferred income	436,167	251,539
	<u>4,229,756</u>	<u>4,778,497</u>

Included in other creditors are outstanding pension contributions of £47,626 (2009 £71,206)

12 Creditors: amounts falling due after more than one year

	2010	2009
	£	£
Bank loans	-	7,903
Amounts due under hire purchase agreements	12,863	6,827
	<u>12,863</u>	<u>14,730</u>

13 Creditors - borrowings

Creditors include finance capital which is due for repayment as follows

	2010	2009
	£	£
Amounts repayable		
In one year or less or on demand	8,075	305,337
In more than one year but not more than two years	—	7,903
	<u>8,075</u>	<u>313,240</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

14 Commitments under hire purchase agreements

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

	2010	2009
	£	£
Amounts payable within 1 year	48,319	66,127
Amounts payable between 1 and 2 years	12,863	6,827
	<u>61,182</u>	<u>72,954</u>

15 Deferred taxation

The movement in the deferred taxation provision during the year was

	2010	2009
	£	£
Provision brought forward	26,095	62,439
Profit and loss account movement arising during the year	8,111	(36,344)
Provision carried forward	<u>34,206</u>	<u>26,095</u>

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

	2010	2009
	£	£
Excess of taxation allowances over depreciation on fixed assets	38,128	47,148
Other timing differences	(3,922)	(21,053)
	<u>34,206</u>	<u>26,095</u>

16 Leasing commitments

At 30 June 2010 the company had annual commitments under non-cancellable operating leases as set out below

	Land and buildings	
	2010	2009
	£	£
Operating leases which expire		
Within 1 year	190,050	103,300
Within 2 to 5 years	116,050	201,150
After more than 5 years	204,150	229,250
	<u>510,250</u>	<u>533,700</u>

17 Capital commitments

The company had no capital commitments at 30 June 2010 or 30 June 2009

18 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 2010 and 30 June 2009

19 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

20 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 wholly owned members of the group headed by St Gresham Limited

During the year the company paid rent of £96,750 (2009 £96,750) to St Peters Limited, a company in which D Errington and D N Huck are directors. At the year end the company owed £24,188 (2009 £32,250) 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 (2009 £53,500) to St Harding Limited a company in which D Errington is a director. At the year end the company owed £15,089 (2009 £23,542) in respect of this rent. These transactions were at arms length and in the normal course of business

21 Share capital

Authorised share capital

	2010	2009
	£	£
1,000,000 Ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>

Allotted, called up and fully paid

	2010		2009	
	No	£	No	£
265,254 Ordinary shares of £1 each	<u>265,254</u>	<u>265,254</u>	<u>265,254</u>	<u>265,254</u>

22 Share premium account

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

23 Profit and loss account

	2010	2009
	£	£
Balance brought forward	3,498,849	3,103,991
Profit for the financial year	893,846	394,858
Equity dividends	(120,000)	-
Balance carried forward	<u>4,272,695</u>	<u>3,498,849</u>

24 Reconciliation of movements in shareholders' funds

	2010	2009
	£	£
Profit for the financial year	893,846	394,858
Equity dividends	(120,000)	-
Net addition to shareholders' funds	<u>773,846</u>	<u>394,858</u>
Opening shareholders' funds	<u>4,131,620</u>	<u>3,736,762</u>
Closing shareholders' funds	<u>4,905,466</u>	<u>4,131,620</u>

25 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