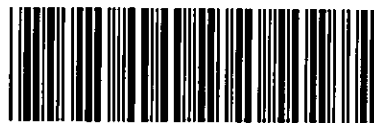


Registered Number 235326

Andrews And Partners Limited
Financial statements
for the year ended 31 December 2007

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Andrews And Partners Limited

Financial statements for the year ended 31 December 2007

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Andrews And Partners Limited

Directors and advisers for the year ended 31 December 2007

Directors

The directors of the company, who served throughout the year, were -

A Radford (Chairman)

M Robson

N K Wright

R Witcomb

D Saint

Secretary

N K Wright

Registered Office

The Clockhouse

Bath Hill

Keynsham

Bristol

BS31 1HL

Auditors

PricewaterhouseCoopers LLP

31 Great George Street

Bristol

BS1 5QD

Solicitors

Harris and Harris

14 Market Place

Wells

Somerset

BA5 2RE

Bankers

Barclays Bank Plc

Corporate Banking Centre

Park House

Newbrick Road

Stoke Gifford

Bristol

BS34 8TN

Andrews And Partners Limited

Directors' report for the year ended 31 December 2007

The directors have pleasure in presenting their report and the audited financial statements of Andrews and Partners Limited and subsidiaries ("The Group") for the year ended 31 December 2007

Principal activities

The principal activity of the group is in residential estate agency. The group maintained ancillary services in surveying, letting and management of residential properties and financial services.

Review of business and future developments

Turnover in 2007 was 3% higher than 2006 reaching a record figure of £32,160,919. This reflected the expansion of the business with three new estate agency and three new lettings branches being opened during the year. In January 2007 the group launched a new residential surveying company called Landmark Surveyors Limited. This was an important strategic decision for the group as there is a strong synergy with financial services because lenders offer reciprocal survey business in return for mortgage lending arranged by introducers.

Estate agency still comprises two thirds of the group's overall turnover and is a critical factor in the overall group result. Estate agency turnover was 3% lower than 2006 reflecting a downturn in the residential property market which became evident in the second half of the year. Confidence in the market fell following five rises in the Base Rate between August 2006 and July 2007 and this was compounded by a credit crunch as a result of which lenders tightened mortgage lending criteria. The consequence of this was a significant fall in demand and the volume of transactions. The uncertainty in the market has continued to have a negative effect on the volume of house sales in the first half of 2008 and the company has responded by streamlining costs and reducing staff numbers.

In the coming year the focus of the group is going to be on maximising opportunities for cross referral and support of the subsidiary operations- financial services, lettings and surveying. At the same time, the group will continue to seek opportunities to strengthen the network by expanding in areas adjacent to where the business is already strong.

The buy-out of the liabilities of Andrews Pension Trust with an insurance company will be completed in 2008. At 31 December 2006, the estimated costs of this exceeded the asset valuation by £1.5m and accordingly a provision was set up in the 2006 accounts. In 2007 it became clear that this could be achieved without any further contribution from the group. Accordingly the £1.5m provision was released during the year and is shown as an exceptional item in the profit and loss account.

Results and dividends

The trading results for the year and the financial position of the company and group are shown in the annexed financial statements. The directors do not recommend the payment of a dividend. The profit of £1,808,636 (2006 loss of £1,482,405) has been transferred to (2006 deducted from) reserves. The profit for the financial year included an exceptional credit of £1,500,000 relating to the settlement of the pension scheme (2006 charge £6,247,600).

Andrews And Partners Limited

Directors' report for the year ended 31 December 2007 (continued)

Financial risks

The property market is sensitive to interest rate movements as they affect the cost of borrowing to finance house purchases. During 2007 base rates increased from 5% in January to 5.75% in July and this contributed to a significant slowing down of the market in the second half of the year with a reduction in the volume of transactions. Base rates were cut in December to 5.5% and further reductions are expected in 2008. However, the tightening of lending criteria and mortgage availability has so far outweighed any benefits from interest rates.

Directors and their interests

None of the directors had any direct interest in the share capital of the company.

Certain of the directors of Andrews and Partners Limited also serve as trustees for the shareholding charities. The interests of directors as trustees of the shareholding charities at 31 December 2007 and 2006 were as follows:

	Ordinary shares of 50p each	
	2007 Number	2006 Number
A Radford	212,760	212,760
D Saint	247,260	247,260
M Robson	247,260	247,260
N K Wright	293,260	293,260

Land and buildings

There are no significant differences between the market value and book amount of land and buildings.

Statement of Directors' Responsibilities

Company law requires 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 group and of the profit or loss of the group 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,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the group 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 of the group 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 of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Andrews And Partners Limited

Directors' report for the year ended 31 December 2007 (continued)

Provision of information to the Auditors

- a) So far as the directors are aware, there is no relevant audit information of which the company's and the group's auditors are unaware and
- b) the directors have taken all steps that ought to have been taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's and the group's auditors are aware of that information

Charitable donations

The group has this year given charitable donations of £401,000 (2006 £400,000) The charitable donations were given to the shareholding charitable trusts (see notes 22 and 23)

Employment of disable persons

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned In the event of members of staff becoming disabled every effort is made to ensure that their employment with the group continues

Training, career development and promotion of a disabled person is, as far as possible, identical to that of other employees who are not disabled

Employee involvement

The group has continued its practice of keeping employees informed of matters affecting them as employees and the financial and economic factors affecting the performance of the group This is achieved by the Company intranet, a regular information sheet and conferences

Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their appointment will be proposed at the Annual General Meeting

By Order of the Board



N K Wright
Secretary
3 July 2008

Andrews And Partners Limited

Independent Auditors' report to the members of Andrews and Partners Limited

We have audited the group and parent company financial statements (the "financial statements") of Andrews and Partners Limited for the year ended 31 December 2007 which comprise the Consolidated Profit and Loss Account, the Group and Company Balance Sheets, the Group Cash Flow Statement, the Group Statement of Total Group Recognised Gains and Losses, the Group Note of Historical Cost Profit and Losses and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Base of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 group's and company's circumstances, consistently applied and adequately disclosed.

Andrews And Partners Limited

Independent Auditors' report to the members of Andrews and Partners Limited (continued)

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 other irregularity or error. 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and the parent company's affairs as at 31 December 2007 and of the group's profits and cash flows for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors

Bristol

28 September 2008

Andrews And Partners Limited

Consolidated profit and loss account for the year ended 31 December 2007

	Note	2007 £	2007 £	2006 £	2006 £
Turnover	2		32,160,919		31,221,825
Administrative expenses			(31,303,564)		(28,220,215)
Exceptional item – Pension Scheme	16		1,500,000		(6,457,000)
Other operating income			79,450		56,158
Operating profit/(loss)			2,436,805		(3,399,232)
Interest receivable	3	529,907		358,129	
Interest payable	3	(3,234)		(2,504)	
			526,673		355,625
Other finance income	20		48,387		333,000
Exceptional item – profit on disposal of shares in Rightmove PLC	15		-		985,264
Profit/(loss) on ordinary activities before taxation and charitable donations			3,011,865		(1,725,343)
Charitable donations	22, 23		(401,000)		(400,000)
Profit/(loss) on ordinary activities before taxation	3		2,610,865		(2,125,343)
Taxation (charge)/credit on profit/(loss) on ordinary activities	6		(852,229)		642,938
Profit/(loss) for the financial year	18		1,758,636		(1,482,405)

Andrews And Partners Limited

Note of group historical cost profits and losses

	2007 £	2006 £
Reported profit/(loss) on ordinary activities before taxation	2,610,865	(2,125,343)
Difference between a historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	11,546	11,546
Historical cost profit/(loss) on ordinary activities before taxation	2,622,411	(2,113,797)
Historical cost profit/(loss) for the year retained after taxation	1,770,182	(1,470,859)

Statement of total recognised gains and losses

	Note	2007 £	2006 £
Profit/(loss) for the financial year		1,758,636	(1,482,405)
Unrealised (deficit)/surplus on revaluation of freeholds and leaseholds	7	(30,200)	412,000
Actuarial gain on pension scheme	20	96,613	1,844,000
Deferred tax on actuarial gain on pension scheme		(27,052)	(553,200)
Total recognised gains related to the year		1,797,997	220,395

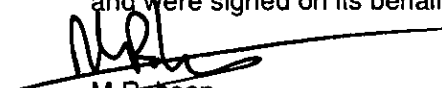
All results relate to continuing activities

Andrews And Partners Limited

Consolidated Balance sheet as at 31 December 2007

	Note	2007 £	2007 £	2006 £	2006 £
Fixed assets					
Intangible assets	8		458,505		410,960
Tangible assets	7		7,823,136		6,745,170
Current assets			8,281,641		7,156,130
Debtors	10	2,364,412		1,727,071	
Cash at bank and in hand		4,271,607		6,347,715	
		6,636,019		8,074,786	
Creditors - amounts falling due within one year	11	(3,555,025)		(4,682,632)	
Pension liability falling due within one year	20	-		(1,050,000)	
Clients' monies					
Cash at bank		5,602,061		3,202,122	
Due to clients		(5,602,161)		(3,202,122)	
Net current assets			3,080,994		2,342,154
Total assets less current liabilities			11,362,635		9,498,284
Creditors - amounts falling due after more than one year	12		(57,283)		(13,897)
Provisions for liabilities and charges	13		(287,295)		(264,327)
Net assets			11,018,057		9,220,060
Capital and reserves					
Called up share capital	17		161,132		161,132
Revaluation reserve	18		1,682,266		1,712,466
Profit and loss account	18		9,174,659		7,346,462
Total shareholders' funds (including non-equity interests)	19		11,018,057		9,220,060

The financial statements on pages 7 to 34 were approved by the board of directors on 5 June 2008 and were signed on its behalf by M Robson on 3 July 2008


M Robson
Director

Andrews And Partners Limited

Balance sheet as at 31 December 2007

	Note	2007 £	2007 £	2006 £	2006 £
Fixed assets					
Investments	9		200,201		200,200
Current assets					
Debtors	10	1,036,238		915,113	
Cash at bank and in hand		747		877	
		1,036,985		915,990	
Creditors - amounts falling due within one year	11	(101)		(200)	
Net current assets			1,036,884		915,790
Total assets less current liabilities and net assets			1,237,085		1,115,990
Capital and reserves					
Called up share capital	17		161,132		161,132
Profit and loss account	18		1,075,953		954,858
Total shareholders' funds (including non-equity interests)	19		1,237,085		1,115,990

The financial statements on pages 7 to 34 were approved by the Board of Directors on 5 June 2008 and were signed on their behalf by M Robson on 3 July 2008


 M Robson
 Director

Andrews And Partners Limited

Consolidated cash flow statement for the year ended 31 December 2007

	Note	2007 £	2007 £	2006 £	2006 £
Net cash inflow from operating activities			1,764,667		4,426,868
Returns on investments and servicing of finance					
Interest received		521,361		356,313	
Interest paid		(3,234)		(2,504)	
Exceptional item-proceeds of sale of Rightmove Shares	15	-		985,264	
Purchase of own preference shares		(100)		-	
Charitable donations		(401,000)		(400,000)	
Net cash inflow from returns on investments and servicing of finance			117,027		939,073
Taxation – UK Corporation tax paid			(1,084,500)		(90,051)
Capital expenditure					
Payments to acquire tangible fixed assets		(2,871,054)		(1,871,018)	
Payments to acquire intangible fixed assets		(158,123)		-	
Receipts from sale of tangible fixed assets		155,875		56,423	
Net cash outflow for capital expenditure			(2,873,302)		(1,814,595)
(Decrease)/increase in cash in the year			(2,076,108)		3,461,295
Reconciliation of net cash flow to movement in net funds					
(Decrease)/increase in cash in the year			(2,076,108)		3,461,295
Net funds at 1 January			6,347,715		2,886,420
Net funds at 31 December			4,271,607		6,347,715

Andrews And Partners Limited

Note to the cash flow statement

Reconciliation of profit/(loss) to net cash inflow

	Note	2007 £	2006 £
Operating profit/(loss)		2,436,805	(3,399,232)
Exceptional item – pension scheme charge	20	(1,500,000)	6,457,000
Exceptional item – pension scheme one off payment	20	-	(1,200,000)
Depreciation charges		1,618,281	1,490,990
Net credit in respect of retirement benefits		50,000	(34,000)
Amortisation of goodwill		-	124,240
Profit on sale of tangible fixed assets		109,559	(27,303)
(Increase)/decrease in debtors		(60,252)	33,703
(Decrease)/increase in creditors		(485,577)	1,173,196
Increase/(decrease) in provision for liabilities and charges		(427,117)	(191,726)
Net cash inflow from operating activities		22,968	4,426,868

Andrews And Partners Limited

Notes to the financial statements for the year ended 31 December 2007

1. Accounting policies

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain tangible fixed assets, and in accordance with applicable accounting standards. A summary of the more important accounting policies, which have been applied consistently with the exception of changes in accounting policies outlined below, is set out below.

Basis of consolidation

The consolidated financial statements incorporate audited financial statements of the company and its subsidiaries. Subsidiaries are listed in note 9 to the financial statements. As permitted by section 230(3) of the Companies Act 1985, the parent company's profit and loss account has not been included in these financial statements. The parent company's profit before tax for the financial year was £1,136 (2006: £697).

Turnover

a) Estate Agency

Commission receivable in respect of the sale of property on behalf of clients is recognised in the financial statements on completion of each sale.

b) Other Activities

Turnover represents commission and fees from property letting and management, and commissions from financial services. Initial commission on financial services is recognised as income when the policy goes on risk. A provision is made for future clawbacks of initial commission anticipated to arise in the indemnity period. Renewal commission is recognisable on a received basis. Fees and commissions receivable from clients of the property letting and management business are credited to the profit and loss account on completion of the letting of the property, as rents fall due or over the duration of the management contract.

Fixed assets

The group has continued to adopt a policy of revaluation for its properties and separates these assets into components where they have significantly different economic useful lives. Fixed assets are stated at cost or valuation less depreciation calculated on the following basis:

a) Freehold premises

Freehold buildings are depreciated on a straight-line basis over 50 years.
Freehold land is not depreciated.

b) Short and long leasehold premises

Premises with leases in excess of 50 years to run are depreciated on a straight-line basis over 50 years. Premises with leases with less than 50 years to run are depreciated over the unexpired period of the lease.

Andrews And Partners Limited

Notes to the financial statements for the year ended 31 December 2007

1. Accounting policies (continued)

c) Furniture and equipment

Furniture and equipment is depreciated on a straight-line basis at varying rates from 10% to 33% per annum

d) Motor vehicles

Owned motor vehicles are depreciated on a straight-line basis over 4 years

Revaluation reserve

Increases in valuations arising on the revaluation of tangible fixed assets are taken to the revaluation reserve. Any decreases in valuations are taken to the revaluation reserve to the extent that the individual properties have been revalued upwards previously.

Intangible fixed assets – goodwill

Purchased goodwill on the acquisition of existing businesses has been accounted for at cost. Goodwill is written off over a period of five to seven years depending on the individual circumstances of the business acquired. The directors consider that this is the useful economic life of the amount paid. An annual impairment review of the carrying value of goodwill is carried out.

Deferred taxation

Provision is made for deferred taxation on all material timing differences. Deferred tax assets are recognised where their recovery is considered more likely than not. Deferred tax assets and liabilities have not been discounted.

Operating leases

Payments under operating leases are expensed when incurred. Premiums paid under operating leases to secure a leasehold property are capitalised within fixed assets and amortised over the life of the lease.

Pension scheme arrangements

The company operated a defined benefit pension scheme in 2006, the scheme was valued every three years by a professionally qualified independent actuary using the projected unit method. Pension costs were charged to operating expenses and other finance expenses in accordance with FRS 17 – Retirement Benefits, with actuarial gains and losses being recognised in the statement of total recognised gains and losses. The pension scheme was closed to new members and further accrual in 2006 and the pension assets have been liquidated in 2007 and the liabilities have been undertaken by a third party. Andrews Lettings and Management Limited no longer operate the defined benefit pension scheme and are no longer liable for the pension payments to the members. The pension costs and actuarial gains and losses until the date of the settlement have been recognised in the 31 December 2007 position. The company also provides defined contribution post retirement benefits to its current employees. The defined contributions are recognised on an accruals basis.

Andrews And Partners Limited

Notes to the financial statements for the year ended 31 December 2007

Exceptional items

Exceptional items are material items which derive from events or transactions that fall within the ordinary activities of the company and which need to be disclosed by virtue of their size or incidence if the financial statements are to give a true and fair view

Charitable donations

Charitable donations are recognised when payable

2. Turnover

Turnover arises wholly in the UK and represents amounts receivable for services provided to third parties and comprises

	2007 £	2006 £
Estate agency	21,661,236	22,883,797
Letting and management	7,090,141	6,341,049
Surveying	1,027,283	-
Financial services	2,382,259	996,979
	32,160,919	31,221,825

Andrews And Partners Limited

Notes to the financial statements for the year ended 31 December 2007

3. Profit/(loss) on ordinary activities before taxation

	2007 £	2006 £
Estate Agency	1,109,959	2,641,254
Financial services	119,836	315,942
Letting and management	796,866	789,197
Surveying	(464,796)	-
Exceptional item – pension scheme	1,500,000	(6,457,000)
Exceptional item – Rightmove shares	-	985,264
Charitable donations	(401,000)	(400,000)
	2,660,865	2,125,343
And is stated after charging/(crediting)		
Interest payable on		
- VAT	3,224	2,454
- bank loans and overdrafts	10	45
- preference dividend	-	5
	3,234	2,504
Interest receivable on		
- bank deposits	(529,907)	(354,157)
- corporation tax	-	(3,972)
Interest receivable	(529,907)	(358,129)
Profit on sale of fixed assets	(60,252)	(27,303)
Depreciation	1,618,281	1,490,990
Amortisation goodwill	109,559	124,240
Down valuation of freehold	50,000	-
Auditors' remuneration - Audit fees	10,000	10,000
- Taxation fees	49,900	41,608
- Other required by legislation	23,320	28,810
Operating lease charges - Land and Buildings	976,665	942,199

Andrews And Partners Limited

Notes to the financial statements for the year ended 31 December 2007

4. Staff costs

(a) Staff costs (including directors' remuneration comprise):

	2007	2006
	£	£
Salaries	16,987,765	15,655,903
Social Security costs	1,945,042	1,712,314
Pension contributions to		
defined benefit scheme current service cost	-	103,183
defined contribution scheme	713,029	675,481
	19,645,836	18,146,881

(b) The average number of persons employed by the group was:

	2007	2006
	Number	Number
Estate agency	443	427
Lettings	176	151
Surveying	16	-
Financial services	43	34
	678	612

Andrews And Partners Limited

Notes to the financial statements for the year ended 31 December 2007

5. Directors' emoluments

	2007 £	2006 £
Aggregate emoluments	463,829	474,557
Company contribution paid to		
Defined benefit pension scheme	-	11,037
Defined contribution pension scheme	59,610	51,488
	59,610	62,525
Number of directors to whom retirement benefits are accruing under the defined benefit pension scheme	-	2
Number of directors to whom retirement benefits are accruing under the defined contribution pension scheme	2	2
Highest paid director		
Aggregate emoluments	247,330	260,330
Company contribution paid to		
Defined benefit pension scheme	-	7,437
Defined contribution pension scheme	40,600	35,438
	40,600	42,875

Andrews And Partners Limited

Notes to the financial statements for the year ended 31 December 2007

6. Taxation charge/(credit) on profit/(loss) on ordinary activities

	2007 £	2006 £
UK corporation tax charge based on the profit for the year adjusted for tax purposes		
- current year at 30%	446,943	939,102
- prior year overprovision	(19,447)	(45,855)
Total current tax charge	427,496	893,247
Deferred tax - prior year adjustment (note 14)	(29,199)	(27,690)
- current year (note 14)	453,932	(1,508,495)
Tax on profit/(loss) on ordinary activities	852,229	(642,938)

The tax for the period is lower than the standard rate of corporation tax in the UK (30%). The differences are explained below

	2007 £	2006 £
Profit/(loss) on ordinary activities at the UK tax rate (30%)	783,2609	(637,603)
<i>Effects of</i>		
Deferred tax on pension liability (note 14)	(450,000)	913,800
Deferred tax on actuarial gain	27,052	553,200
Expenses not deductible for tax purposes	126,865	68,207
Accelerated capital allowances/other timing differences	(40,234)	41,498
Adjustments in respect of previous periods	(19,447)	(45,855)
Total current tax charge	427,496	893,247

Andrews And Partners Limited

Notes to the financial statements for the year ended 31 December 2007

7. Tangible assets

	Freehold premises	Long leasehold	Short leasehold	Furniture and equipment	Motor vehicles	Total
	£	£	£	£	£	£
At cost/valuation						
At 1 January 2007	3,086,700	180,000	760,653	10,053,039	2,050,108	16,130,500
Additions	580,920	-	-	1,470,812	820,338	2,872,070
Disposals	-	-	-	-	(550,517)	(550,517)
Revaluation in year	(50,000)	(30,200)	-	-	-	(80,200)
At 31 December 2007	3,617,620	149,800	760,653	11,523,851	2,319,929	18,371,853
Analysis						
At cost	580,920	-	710,153	11,523,851	2,319,929	15,134,853
At valuation	3,036,700	149,800	50,500	-	-	3,237,000
	3,617,620	149,800	760,653	11,523,851	2,319,929	18,371,853
Accumulated depreciation						
1 January 2007	37,585	2,400	563,832	7,690,545	1,090,968	9,385,330
Charge for year	45,368	2,400	25,751	1,098,768	445,994	1,618,281
Disposals	-	-	-	-	(454,894)	(454,894)
31 December 2007	82,953	4,800	589,583	8,789,313	1,082,068	10,548,717
Net book amounts						
31 December 2007	3,534,667	145,000	171,070	2,734,538	1,237,861	7,823,136
31 December 2006	3,049,115	177,600	196,821	2,362,494	959,140	6,745,170

The company's freehold and long leasehold properties were revalued at 31 December 2005 with a revision exercise at 31 December 2007, on the basis of open market value by a combination of independent qualified valuers and by internal valuation by David Westgate FRICS who is an employee of the Group. The valuations were undertaken in accordance with the Appraisal and Valuation Manual of the Royal Institute of Chartered Surveyors in the United Kingdom. These valuations have been incorporated into the financial statements and the resulting revaluation adjustments have been taken to the revaluation reserve.

Andrews And Partners Limited

Notes to the financial statements for the year ended 31 December 2007

7. Tangible assets (continued)

At 31 December 2007 the historical cost of the revalued freehold premises was £1,678,623, long leasehold premises £40,140 and short leasehold premises £50,500. At 31 December 2007 the historical net book value of the revalued freehold premises was £1,549,272 (2006 £1,575,866), long leasehold premises £34,255 (2006 £34,790) and short leasehold premises £43,973 (2006 £44,646).

No provision has been made for deferred tax on gains recognised on revaluing property to its market value or on the sale of properties where potentially taxable gains have been rolled over into replacement assets. Such tax would become payable only if the property were sold without it being possible to claim rollover relief. The total amount unprovided for is £352,000 (2006 £352,000). At present it is not envisaged that any tax will become payable in the foreseeable future. There were no capital commitments at 31 December 2007 (31 December 2006 nil).

8. Intangible fixed assets

	Goodwill £
At cost	
1 January 2007	762,000
Additions	157,104
31 December 2007	919,104
Aggregate amortisation	
1 January 2007	351,040
Charge for year	109,559
31 December 2007	460,599
Net book amount	
31 December 2007	458,505
31 December 2006	410,960

Andrews And Partners Limited

Notes to the financial statements for the year ended 31 December 2007

9. Investments

The Company

	Shares in subsidiaries £
At 1 January 2007	200,200
Addition – Landmark Surveyors Limited	1
31 December 2007	200,201

The subsidiaries, all of which have been consolidated, wholly owned and incorporated in England and Wales are

	Proportion of nominal value of shares held		Nature of Business
	By the Company	By the Group	
	%	%	
Andrews Estate Agents Limited	100	100	Estate Agents
Andrews Letting and Management Limited	100	100	Letting Agents
Andrews Pension Trust Limited	100	100	Pension Trustee
Andrews Financial Services	0	100	Financial Services
Haywoods Property Limited	0	100	Property Management
Landmark Surveyors Limited	0	100	Surveying
Andrews ESOP Limited	100	100	ESOP Trustee

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Notes to the financial statements for the year ended 31 December 2007

10. Debtors

	2007 £	2006 £
The Group		
Trade debtors	1,360,885	950,285
Other debtors	178,189	45,018
Prepayments and accrued income	661,665	566,310
Deferred tax asset (note 14)	163,673	165,458
	2,364,412	1,727,071
The Company		
Amounts due from subsidiary undertakings	1,036,238	915,113

11. Creditors – Amounts falling due within one year

	2007 £	2006 £
The Group		
Preference shares (note 17)	-	100
Trade creditors	471,629	459,660
Outstanding pension contributions	138,268	151,057
Taxation and social security	1,609,800	1,724,569
Corporation tax	282,097	939,101
Other creditors	98	27,394
Accruals	1,053,133	1,380,751
	3,555,025	4,682,632

Andrews And Partners Limited

Notes to the financial statements for the year ended 31 December 2007

11. Creditors – Amounts falling due within one year (continued)

	2007 £	2006 £
The Company		
Preference shares (note 17)	-	100
Amounts due to subsidiary undertakings	101	100
	101	200

12. Creditors – Amounts falling due after more than one year

	2007 £	2006 £
The Group		
Accrued bonuses-amounts due between two and five years	50,786	12,322
Taxation and social security-amounts due between two and five years	6,497	1,575
	57,283	13,897

13. Provision for liabilities and charges

	Clawback Provision (Note (i)) £	Endowment Claims (Note (ii)) £	Surveying Claims (Note (iii)) £	Total £
The Group				
At 1 January 2007	214,327	50,000	-	264,327
Utilised in the year	(109,744)	(999)	-	(110,743)
Released in the year	-	(29,001)	-	(29,001)
Credited in the year	147,712	-	15,000	162,712
At 31 December 2007	252,295	20,000	15,000	287,295

Andrews And Partners Limited

Notes to the financial statements for the year ended 31 December 2007

13. Provision for liabilities and charges (continued)

(i) Clawbacks

Provision is made for future clawbacks of initial financial services commission anticipated to arise in the indemnity period

(ii) Endowment claims

Provision has been made for compensation payable in respect of claims arising from incorrect advice given on endowment policies sold in the period from 29 April 1988 to 28 February 1993. Provision has been made according to the Directors' best estimate for claims received to date together with an estimated provision for future claims that may arise from past business written. Due to the long-term nature of endowment contracts and the uncertainty of future investment returns there remains some uncertainty as to the final outcome.

(iii) Surveying claims

Provision has been made for compensation payable in respect of claims arising from residential surveys carried out by Landmark Surveyors Limited.

14. Deferred taxation

Breakdown of deferred tax debtor in note 10

	2007	2006
	£	£
The Group		
Accelerated capital allowances	144,918	130,811
Other timing differences	18,755	34,467
	163,673	164,458

Andrews And Partners Limited

Notes to the financial statements for the year ended 31 December 2007

14. Deferred taxation (continued)

Reconciliation of movement in deferred tax during the year

	Total deferred tax asset £	Deferred tax asset disclosed in debtors (note 10) £	Deferred tax asset netted off pension liability (note 21) £
Balance b/f 1 January 2007	615,458	165,458	450,000
Profit and loss – prior year (note 6)	29,199	29,199	
Profit and loss – current year (note 6)	(453,932)	(3,932)	(450,000)
Disclosed in Statement of Total			
Recognised Gains and Losses	(27,052)	(27,052)	-
Balance c/f 31 December 2007	163,673	163,673	-

15. Exceptional item – sale of Rightmove shares

	2007 £	2006 £
Profit on disposal of shares in Rightmove PLC	-	985,264

During 2006 the company made a profit before tax of £985,264 on the disposal of shares in Rightmove PLC following their flotation. The Rightmove PLC shares were received for no cash consideration prior to flotation.

16. Exceptional item – pension scheme

	2007 £	2006 £
Write off of pension asset not recoverable	-	(4,957,000)
Provision for settlement of the pension scheme liability	1,500,000	(1,500,000)
Total	1,500,000	(6,457,000)

The exceptional item relates to the company's share of the estimated cost for settling the pension scheme liabilities in excess of the pension asset values.

Andrews And Partners Limited

Notes to the financial statements for the year ended 31 December 2007

The provision was recorded in 2006 as the settlement costs were estimated to exceed the asset values however the final settlement was made with no additional payment required and therefore the provision has been released in 2007

17. Called up share capital

The Group and the Company

	4 9% cumulative preference shares of £1 each		Ordinary shares of 50p each	
	Number	£	Number	£
Authorised:				
At 1 January 2007 and 31 December 2007	14,960	14,960	370,080	185,040
Allotted, issued and fully paid:				
1 January 2007	100	100	322,264	161,132
Redeemed during the year	(100)	(100)	-	-
31 December 2007	-	-	322,264	161,132

Preference shares

The issued preference shares were purchased by the company at par value during the year

18. Reserves

	Group Profit & Loss Account £	Company Profit & Loss Account £	Group Revaluation Reserve £
At 1 January 2007	7,346,462	954,858	1,712,466
Deficit on revaluation of freeholds and long leaseholds	-	-	(30,200)
Actuarial gain on pension scheme	96,613	-	-
Deferred tax on actuarial gain	(27,052)	-	-
Profit for the year	1,758,636	121,095	-
At 31 December 2007	9,174,659	1,075,953	1,682,266

Andrews And Partners Limited

Notes to the financial statements for the year ended 31 December 2007

19. Reconciliation of movement in shareholders' funds

The Group

	2007	2006
	£	£
Opening shareholders' funds	9,220,060	8,999,665
Profit for the financial year	1,758,636	(1,482,405)
(Deficit)/surplus on revaluation of freeholds and leaseholds	(30,200)	412,000
Actuarial gain recognised in the pension scheme	96,613	1,844,000
Movement on deferred tax relating to pension scheme	(27,052)	(553,200)
Net addition to shareholders' funds	1,797,997	220,395
Closing shareholders' funds	11,018,057	9,220,060

The Company

	2007	2006
	£	£
Opening shareholders' funds	1,115,990	995,503
Profit for the financial year and net addition to shareholders' funds	121,095	120,487
Closing shareholders' funds	1,237,085	1,115,990

Andrews And Partners Limited

Notes to the financial statements for the year ended 31 December 2007

20. Pension commitments – defined benefit scheme

The Group

In 2006, the Company entered negotiations with a number of pension providers to settle the defined benefit pension scheme liabilities for Andrews and Partners Limited. The estimated costs at 31 December 2006 to settle the pension liabilities totalled £27,893,000. The excess of the cost over the asset values was recorded as a provision (Note 10) totalling £1,500,000 for the group.

In 2007, the Company has agreed the final settlement of the defined benefit pension scheme and the cost of the settlement was achieved within the final asset values. During the year, the assets and liabilities of the scheme were transferred to Legal and General Assurance Society Limited. Due to the settlement of the pension scheme, the company is no longer liable for the pension liabilities and therefore no actuarial valuation has been undertaken for 31 December 2007. The pension costs and actuarial gains and losses until the date of the settlement have been recognised in the 31 December 2007 position. The full FRS 17 – Retirement Benefit disclosures have been included for the comparative period.

There remains a cash balance of £145,000 within the scheme which is due to the company. This is included within other debtors.

The most recent actuarial valuation of the pension scheme was carried out as at 30 September 2005 and had been updated at 31 December 2006 by Hewitt, Bacon and Woodrow Limited, professionally qualified actuaries. The principal assumptions used by the actuaries were:

	31 December 2007 (% p a)	31 December 2006 (% p a)	31 December 2005 (% p a)
Discount rate for scheme liabilities	-	5.1	4.7
Inflation rate	-	3.1	2.9
Increase to pensions in payment	-		
- Post 1997 pension	-	3.1	2.8
- Post September 2005 pension	-	2.3	2.1

The projected unit method has been used to calculate the assets and liabilities of the scheme.

Andrews And Partners Limited

Notes to the financial statements for the year ended 31 December 2007

20. Pension commitments – defined benefit scheme (continued)

The fair value of the assets of the scheme and the expected long-term rates of return were

	Long-term rate of return expected at 31 December 2007 %	Value at 31 December 2007 £'000	Long-term rate of return expected at 31 December 2006 %	Value at 31 December 2005 £'000	Long-term rate of return expected at 31 December 2005 %	Value at 31 December 2005 £'000
Equities	-	-	6.6	12,076	6.5	14,969
Property	-	-	5.6	1,277	5.6	1,912
Government bonds	-	-	4.1	6,702	4.1	6,022
Corporate bonds	-	-	4.5	4,477	4.5	-
Cash and other	-	145	4.5	1,861	4.5	818
Total market value of assets as at 31 December		145		26,393		23,721

The net pension asset / (liability) recognised in the balance sheet is

	2007 £'000	2006 £'000	2005 £'000
Total market value of assets at 31 December	145	26,393	23,721
Present value of scheme liabilities	-	(21,436)	(22,175)
Surplus in the scheme on an ongoing basis	145	4,957	1,546
Write off of pension asset not recoverable	-	(4,957)	-
Provision for costs of buyout	-	(1,500)	-
Surplus/(deficit) relating to retirement benefits	145	(1,500)	1,546
Related deferred tax (liability)/asset	-	450	(464)
Transfer of net deficit in the scheme to current liabilities	-	(1,050)	-
Net pension asset	145	-	1,082

Notes to the financial statements for the year ended 31 December 2007

20. Pension commitments – defined benefit scheme (continued)

Analysis of amount charged to operating profit in respect of the defined benefit scheme

	2007 £'000	2006 £'000
Current service cost	-	103
Analysis of amount credited to other finance income		
	2007 £'000	2006 £'000
Expected return on pension scheme assets	255	1,354
Interest on pension scheme liabilities	(206)	(1,021)
Net finance income	49	333

Movements in surplus during the year		
	2007 £'000	2006 £'000
Surplus in the scheme at the beginning of the year	-	1,546
Movement during the year		
Current service cost	-	(103)
Contributions normal	-	137
Contributions one-off	-	1,200
Other finance income	49	333
Actuarial gain/(loss)	96	1,844
Surplus in the scheme on an ongoing basis	145	4,957
Write off of pension asset not recoverable	-	(4,957)
Provision for costs of buyout	-	(1,500)
Transfer of net deficit in scheme to current liabilities	-	1,500
Net pension asset at the end of the year	145	-

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Notes to the financial statements for the year ended 31 December 2007

20. Pension commitments – defined benefit scheme (continued)

Analysis of amount recognised in statement of total recognised gains and losses

	2007 £'000	2006 £'000
Actual return less expected return on pension scheme assets	(485)	605
Experience gains and losses arising on the scheme liabilities	-	(129)
Changes in assumptions underlying the present value of the scheme liabilities	581	1,368
Actuarial gain recognised in the statement of total recognised gains and losses	96	1,844

	2007 £'000	2006 £'000	2005 £'000
Difference between actual and expected return on plan assets			
Amount (£'000)	-	605	2,574
Percentage of scheme assets	-	2.3%	10.9%
Experience gains and (losses) on plan liabilities			
Amount (£'000)	-	(129)	(1,745)
Percentage of present value of the scheme liabilities	-	(0.6%)	(7.9%)
Changes in assumptions underlying the present value of the scheme's liabilities			
Amount (£'000)	-	1,368	(2,811)
Percentage of present value of the scheme liabilities	-	6.4%	(12.7%)
Total amount recognised in statement of total recognised gains and losses			
Amount (£'000)	-	1,844	(1,982)
Percentage of present value of scheme liabilities	-	8.6%	(8.9%)

It was only determined in 2005 that the scheme is a defined benefit scheme and accordingly the required disclosure of 5 years historical information is not available

Andrews And Partners Limited

Notes to the financial statements for the year ended 31 December 2007

21. Operating lease commitments

Operating lease annual charges not provided for in the financial statements terminate as follows

	2007	2006
	Land and Buildings	Land and Buildings
	£	£
Expiring within one year	81,500	81,500
Expiring between one and five years	432,295	432,295
Expiring after five years	441,892	441,892
	955,687	955,687

The company itself had no operating lease commitments at 31 December 2007 (2006 nil)

22. Ultimate controlling party

The company's ultimate controlling party is the charity Andrews Charitable Trust, which holds 66% of the allotted share capital of Andrews and Partners Limited. During the year the company made a gift aid payment of £290,200 (2006 £290,200) to Andrews Charitable Trust. There were no amounts due to or from Andrews Charitable Trust at the balance sheet date.

23. Related party disclosure

The company is exempt under the terms of Financial Reporting Standard 8 from disclosing related party transactions and balances with entities that are part of the Andrews and Partners Limited group that have been eliminated on consolidation.

During the year the company made gift aid donations of £63,243 (2006 £62,742) to Christian Book Promotion Trust and £47,557 (2006 £47,058) to The Christian Initiative Trust. Christian Book Promotion Trust and The Christian Initiative Trust are shareholders of Andrews and Partners Ltd.

There were no amounts due to or from Christian Book Promotion Trust or The Christian Initiative Trust at the balance sheet date. The company made £5,000 interest free car loans to three directors of Andrews Estate Agents Limited in previous years. The amount of principal outstanding under these loans at 31 December was as follows:

	2007	2006
	£	£
M Armitage	1,667	3,333
C Chapman	834	2,500
R Thomas	3,542	4,792

No provision has been made against the failure of directors to repay these loans.

Andrews And Partners Limited

Notes to the financial statements for the year ended 31 December 2007

24. Andrews and Partners employee share trust

The Employee Share Trust was established on 23 September 1996 to hold and distribute fully paid ordinary shares in the company issued under employees' share schemes (within the meaning of section 743 of the Companies Act 1985) The Employee Share Trust holds 15,435 shares in Andrews and Partners Limited