

Register



**GOADSBY & HARDING  
(HOLDINGS) LIMITED AND  
ITS SUBSIDIARY  
UNDERTAKINGS**

FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
30 JUNE 1999

Company Number: 2446167

**GOADSBY & HARDING (HOLDINGS) LIMITED  
AND ITS SUBSIDIARY UNDERTAKINGS**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 1999**

---

Company registration number:

2446167

Registered office:

37/43 St Peter's Road  
Bournemouth  
BH1 2JR

Directors:

J A Tofield  
C Rowley (resigned 30 June 1999)  
R Harcourt  
B P Read  
D Errington  
S Hedger  
J Sexton (appointed 1 July 1998)

Secretary:

D Errington

Auditors:

Grant Thornton  
Registered auditors  
Chartered accountants

**GOADSBY & HARDING (HOLDINGS) LIMITED  
AND ITS SUBSIDIARY UNDERTAKINGS**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 1999**

---

<b>INDEX</b>	<b>PAGE</b>
Report of the directors	1 - 3
Report of the auditors	4
Accounting policies	5 - 6
Group profit and loss account	7
Group balance sheet	8
Company balance sheet	9
Group cash flow statement	10
Notes to the financial statements	11 - 24

**GOADSBY & HARDING (HOLDINGS) LIMITED  
AND ITS SUBSIDIARY UNDERTAKINGS**

**REPORT OF THE DIRECTORS**

---

The directors present their report together with the financial statements for the year ended 30 June 1999.

**Principal activities**

The group is principally engaged in residential and commercial estate agency, surveying and related activities.

**Review of the business**

There was a profit for the year after taxation amounting to £106,018. The directors recommend dividends absorbing £105,000 leaving £1,018 retained.

**Post balance sheet event**

The company has agreed to acquire, shortly after the year end, 5,133 ordinary shares from News Communications & Media Plc.

**Directors**

The present membership of the Board is set out below. All directors served throughout the year. J Sexton was appointed to the Board on 1 July 1998 and C Rowley resigned on 30 June 1999.

The interests of the directors in the shares of the company at 1 July 1998 and at 30 June 1999, were as follows:

	<b>The Company Ordinary Shares</b>	
	<b>1999</b>	<b>1998</b>
J A Tofield	32,008	32,808
C Rowley (resigned 30 June 1999)	-	-
R Harcourt	28,488	29,288
B P Read	29,508	30,308
D Errington	17,454	18,174
S Hedger	-	-
J Sexton (appointed 1 July 1998)	5,500	-

# **GOADSBY & HARDING (HOLDINGS) LIMITED AND ITS SUBSIDIARY UNDERTAKINGS**

## **REPORT OF THE DIRECTORS**

---

### **Directors' responsibilities for the financial statements**

Company law requires the 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 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
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for maintaining proper accounting records, for safeguarding the assets of the group and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Charitable donations**

During the year donations to charitable organisations amounted to £1,924 (1998: £2,081).

### **Year 2000 compliance**

Many computer systems which express dates using only the last two digits of the year may malfunction due to the date change to the Year 2000. This risk to the business relates not only to the group's computer systems, but also to some degree on those of the group's customers and suppliers.

The Goadsby & Harding Group has reviewed its computer systems for the impact of the Year 2000 date change. The main systems affected are:

- accounting and management information
- property management accounts
- residential lettings
- payroll

These systems have been replaced or updated during the last two years and are considered to be Year 2000 compliant.

The issue is complex and no business can guarantee that there will be no Year 2000 problems. However the Board believes that its plans and resources allocated have appropriately and adequately addressed the issue.

**GOADSBY & HARDING (HOLDINGS) LIMITED  
AND ITS SUBSIDIARY UNDERTAKINGS**

**REPORT OF THE DIRECTORS**

---

**Auditors**

Grant Thornton offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to read 'B P Read', with a horizontal line drawn through the middle of the signature.

B P READ  
Chief Executive

23 September 1999

## **REPORT OF THE AUDITORS TO THE MEMBERS OF**

### **GOADSBY & HARDING (HOLDINGS) LIMITED**

We have audited the financial statements on pages 5 to 24 which have been prepared under the accounting policies set out on pages 5 and 6.

#### **Respective responsibilities of directors and auditors**

As described on page 2 the directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

#### **Basis of opinion**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the 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 circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the 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.

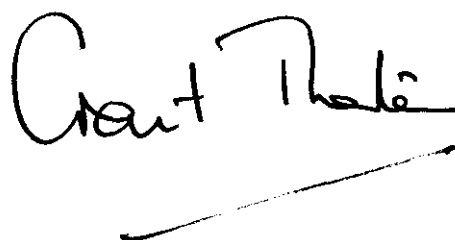
#### **Opinion**

In our opinion the financial statements give a true and fair view of the state of affairs of the company and the group at 30 June 1999 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

**GRANT THORNTON  
REGISTERED AUDITORS  
CHARTERED ACCOUNTANTS**

Poole

23 September 1999

A handwritten signature in black ink, appearing to read 'Grant Thornton', with a long horizontal line drawn underneath it.

# GOADSBY & HARDING (HOLDINGS) LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

## PRINCIPAL ACCOUNTING POLICIES

---

### **Basis of preparation**

The financial statements have been prepared under the historical cost convention.

The principal accounting policies of the group have remained unchanged from the previous year and are set out below.

### **Basis of consolidation**

The group financial statements consolidate the financial statements of the company and of its subsidiary undertakings (see note 9) drawn up to 30 June 1999. All intra group profits or losses are eliminated on consolidation.

### **Turnover**

Turnover comprises commission and fees receivable, exclusive of Value Added Tax. Commissions on sales of residential and commercial properties are recognised as earned when the contract for sale is exchanged, provided that thereafter the contract is, or is expected to be, completed. Other commissions are accounted for mainly on a cash received basis. Fees for other professional services are recognised when they become due and payable.

### **Depreciation**

Depreciation is calculated to write down the cost of tangible fixed assets over their expected useful lives.

The rates generally applicable are:

<b>Asset</b>	<b>Method</b>	<b>Rate</b>
Freehold properties	Straight line	2% per annum
Long leaseholds	Straight line	2% per annum
Short leaseholds and leasehold improvements	Straight line	Period of lease
Fixtures, furniture and equipment	Straight line	10% per annum
Computers	Straight line	20% per annum
Motor vehicles	Reducing balance	25% per annum
Equipment on finance leases	Straight line	Over the life of the lease

**GOADSBY & HARDING (HOLDINGS) LIMITED  
AND ITS SUBSIDIARY UNDERTAKINGS**

**PRINCIPAL ACCOUNTING POLICIES**

---

**Investments**

Investments in subsidiaries are included at cost.

**Goodwill**

Purchased goodwill and goodwill arising on consolidation is capitalised and amortised over its expected useful life of 20 years. Following the introduction of FRS 10 there has been no reinstatement of goodwill previously credited to or written off against reserves.

**Deferred taxation**

Deferred tax is provided for using the tax rates estimated to arise when the timing differences reverse and is accounted for to the extent that it is probable that a liability or asset will crystallise. Unprovided deferred tax is disclosed as a contingent liability.

Debit balances arising in respect of advance corporation tax on dividends payable or proposed are carried forward *to the extent that they are expected to be recovered.*

**Contributions to pension funds**

**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.

**Leased assets**

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight-line basis over the lease term.

**GOADSBY & HARDING (HOLDINGS) LIMITED  
AND ITS SUBSIDIARY UNDERTAKINGS**

**CONSOLIDATED PROFIT AND LOSS ACCOUNT**

**FOR THE YEAR ENDED 30 JUNE 1999**

	Note	1999 £	1999 £	1998 £	1998 £
<b>Turnover</b>	1		6,124,631		5,606,940
Other operating income	1		90,333		64,993
			<u>6,214,964</u>		<u>5,671,933</u>
Staff costs	3	(3,487,137)		(3,278,420)	
Depreciation		(266,264)		(250,045)	
Other operating charges		<u>(2,138,027)</u>		<u>(1,939,510)</u>	
			<u>(5,891,428)</u>		<u>(5,467,975)</u>
<b>Trading profit before amortisation of goodwill</b>			323,536		203,958
Amortisation of goodwill	7		<u>(68,896)</u>		<u>(66,239)</u>
<b>Operating profit</b>			254,640		137,719
<b>Exceptional item</b>					
Profit on sale of investment property			-		379,850
Net interest	2		<u>(53,695)</u>		<u>(45,923)</u>
<b>Profit on ordinary activities before taxation</b>	1		200,945		471,646
Tax on profit on ordinary activities	4		<u>(94,927)</u>		<u>(145,977)</u>
<b>Profit on ordinary activities after taxation</b>	5		106,018		325,669
Dividends	6		(105,000)		(247,335)
<b>Transfer to reserves</b>	15		<u>1,018</u>		<u>78,334</u>

There were no recognised gains or losses other than the profit for the financial year.

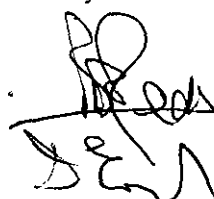
The accompanying accounting policies and notes form an integral part of these financial statements.

**GOADSBY & HARDING (HOLDINGS) LIMITED  
AND ITS SUBSIDIARY UNDERTAKINGS**

**CONSOLIDATED BALANCE SHEET AT 30 JUNE 1999**

	Note	1999 £	1999 £	1998 £	1998 £
<b>Fixed assets</b>					
Intangible assets	7		759,177		774,967
Tangible assets	8		1,314,599		1,126,976
			<u>2,073,776</u>		<u>1,901,943</u>
<b>Current assets</b>					
Debtors	10	1,048,889		972,817	
Cash at bank and in hand		<u>276,936</u>		<u>330,065</u>	
		1,325,825		1,302,882	
<b>Creditors: amounts falling due within one year</b>	11	<u>(1,798,352)</u>		<u>(1,619,163)</u>	
<b>Net current liabilities</b>			<u>(472,527)</u>		<u>(316,281)</u>
<b>Total assets less current liabilities</b>			1,601,249		1,585,662
<b>Creditors: amounts falling due after more than one year</b>	12		(829,467)		(860,868)
<b>Provisions for liabilities and charges</b>	13		(5,215)		(7,393)
			<u>766,567</u>		<u>717,401</u>
<b>Capital and reserves</b>					
Called up share capital	14		215,804		213,424
Share premium account	15		353,331		323,563
Capital redemption reserve	15		55,168		55,168
Profit and loss account	15		142,264		125,246
<b>Shareholders' funds</b>	16		<u>766,567</u>		<u>717,401</u>

The financial statements were approved by the Board of Directors on 23 September 1999.



B P READ

D ERRINGTON

DIRECTORS

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

**GOADSBY & HARDING (HOLDINGS) LIMITED  
AND ITS SUBSIDIARY UNDERTAKINGS**

COMPANY BALANCE SHEET AT 30 JUNE 1999

	Note	1999 £	1999 £	1998 £	1998 £
<b>Fixed assets</b>					
Tangible assets	8		1		1
Investments	9		3,721,569		3,721,569
			<u>3,721,570</u>		<u>3,721,570</u>
<b>Current assets</b>					
Debtors	10	217,449		27,302	
Cash at bank and in hand		<u>815</u>		<u>792</u>	
		218,264		28,094	
<b>Creditors: amounts falling due within one year</b>	11	<u>(162,830)</u>		<u>(486,087)</u>	
<b>Net current assets/(liabilities)</b>			<u>55,434</u>		<u>(457,993)</u>
<b>Total assets less current liabilities</b>			3,777,004		3,263,577
<b>Creditors: amounts falling due after more than one year</b>	12		(2,135,189)		(2,178,439)
			<u>1,641,815</u>		<u>1,085,138</u>
<b>Capital and reserves</b>					
Called up share capital	14		215,804		213,424
Share premium account	15		353,331		323,563
Capital redemption reserve	15		55,168		55,168
Profit and loss account	15		1,017,512		492,983
<b>Shareholders' funds</b>			<u>1,641,815</u>		<u>1,085,138</u>

The financial statements were approved by the Board of Directors on 23 September 1999 .




B P READ

DIRECTORS

D ERRINGTON

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

**GOADSBY & HARDING (HOLDINGS) LIMITED  
AND ITS SUBSIDIARY UNDERTAKINGS**

**CONSOLIDATED CASH FLOW STATEMENT**

**FOR THE YEAR ENDED 30 JUNE 1999**

	Note	1999 £	1999 £	1998 £	1998 £
<b>Net cash inflow from operating activities</b>	17		723,809		202,463
<b>Returns on investments and servicing of finance</b>					
Interest received		39,242		43,215	
Interest paid		(72,645)		(80,924)	
Finance lease interest paid		<u>(17,592)</u>		<u>(14,237)</u>	
<b>Net cash outflow from returns on investments and servicing of finance</b>			(50,995)		(51,946)
<b>Taxation</b>			(106,972)		(187,530)
<b>Capital expenditure</b>					
Purchase of tangible fixed assets		(308,937)		(355,425)	
Sale of tangible fixed assets		15,486		20,570	
Sale of investment property		<u>-</u>		<u>780,432</u>	
<b>Net cash (outflow)/inflow from capital expenditure</b>			(293,451)		445,577
<b>Acquisitions</b>					
Purchase of unincorporated business: goodwill			(53,106)		(76,921)
<b>Equity dividends paid</b>			(105,000)		(238,375)
<b>Financing</b>					
Receipt from borrowing		-		81,000	
Repayment of borrowing		(45,771)		(285,994)	
Purchase of own shares		-		(176,650)	
Issue of shares		24,990		-	
Capital element of finance lease rentals		(153,791)		(140,726)	
Release of overprovision of preliminary expenses		<u>7,158</u>		<u>-</u>	
<b>Net cash outflow from financing</b>	18		(167,414)		(522,370)
<b>(Decrease) in cash</b>	19		<u>(53,129)</u>		<u>(429,102)</u>

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

**GOADSBY & HARDING (HOLDINGS) LIMITED  
AND ITS SUBSIDIARY UNDERTAKINGS**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 1999**

**1 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

Turnover is attributable to residential and commercial estate agency, surveying and related activities.

The profit on ordinary activities is stated after:

	1999 £	1998 £
Auditors' remuneration	18,500	17,000
Depreciation and amortisation:		
Goodwill	68,896	66,239
Tangible fixed assets, owned	179,897	171,373
Tangible fixed assets, held under finance leases	86,367	81,926
(Profit) on disposal of tangible fixed assets	(4,546)	(3,254)
Operating lease rentals	<u>284,232</u>	<u>246,874</u>
Other operating income includes:		
Rents receivable (net)	<u>90,333</u>	<u>64,993</u>

**2 NET INTEREST**

	1999 £	1998 £
On bank loans and overdrafts	72,864	68,894
Finance charges in respect of finance leases	<u>17,592</u>	<u>14,237</u>
	90,456	83,131
Other interest receivable and similar income	<u>(36,761)</u>	<u>(37,208)</u>
	<u>53,695</u>	<u>45,923</u>

**GOADSBY & HARDING (HOLDINGS) LIMITED  
AND ITS SUBSIDIARY UNDERTAKINGS**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 1999**

**3 DIRECTORS AND EMPLOYEES**

	1999 £	1998 £
Staff costs during the year were as follows:		
Wages and salaries	3,077,171	2,916,820
Social security costs	297,009	274,710
Other pension costs	112,957	86,890
	<u>3,487,137</u>	<u>3,278,420</u>

The average number of employees of the group during the year was 244 (1998: 225).

The number of full time equivalent employees during the year was 164.

Remuneration in respect of directors was as follows:

	1999 £	1998 £
Management remuneration	864,265	944,970
Pension contributions to money purchase pension schemes	98,214	72,521
	<u>962,479</u>	<u>1,017,491</u>

During the year 4 directors (1998: 4 directors) participated in money purchase pension schemes.

The amounts set out above include remuneration in respect of the highest paid director as follows:

	1999 £	1998 £
Emoluments	96,875	124,456
Pension contributions to money purchase pension schemes	11,141	8,238
	<u>108,016</u>	<u>132,694</u>

**GOADSBY & HARDING (HOLDINGS) LIMITED  
AND ITS SUBSIDIARY UNDERTAKINGS**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 1999**

**4 TAX ON PROFIT ON ORDINARY ACTIVITIES**

The taxation charge represents:

	1999 £	1998 £
Corporation tax at 31% (1998: 31%)	95,000	137,094
Deferred tax (note 13)	185	20,716
	<u>95,185</u>	<u>157,810</u>
Adjustments for prior year:		
Corporation tax	2,105	1,490
Deferred tax (note 13)	(2,363)	(13,323)
	<u>94,927</u>	<u>145,977</u>

**5 PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION**

The company has taken advantage of section 230 of the Companies Act 1985 and has not included its own profit and loss account in these financial statements. The group profit for the year includes a profit of £629,529 (1998: £75,313 loss), including dividends from subsidiary companies of £690,000 (1998: £247,335) which is dealt with in the financial statements of the company.

**6 DIVIDENDS**

	1999 £	1998 £
Ordinary shares - special dividend of NILp per share (1998: 211.97p) paid to the largest shareholder	-	142,335
Ordinary shares - proposed final dividend of 48.65p per share (1998: 48.65p)	105,000	105,000
	<u>105,000</u>	<u>247,335</u>

**GOADSBY & HARDING (HOLDINGS) LIMITED  
AND ITS SUBSIDIARY UNDERTAKINGS**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 1999**

**7 INTANGIBLE FIXED ASSETS**

	<b>Goodwill £</b>
<b>The Group</b>	
Cost	
At 1 July 1998	1,324,749
Additions	53,106
At 30 June 1999	<u>1,377,855</u>
Amounts written off	
At 1 July 1998	549,782
Provided in the year	68,896
At 30 June 1999	<u>618,678</u>
Net book amount at 30 June 1999	<u>759,177</u>
Net book amount at 30 June 1998	<u>774,967</u>

Goodwill included above relates to the following:

	<b>Goodwill at original cost £</b>
Goodwill on consolidation relating to acquisition of Goadsby & Harding Limited	1,324,749
Purchased goodwill arising on acquisition of unincorporated business	<u>53,106</u> <u>1,377,855</u>

**GOADSBY & HARDING (HOLDINGS) LIMITED  
AND ITS SUBSIDIARY UNDERTAKINGS**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 1999**

8

**TANGIBLE FIXED ASSETS**

**The Group**

	Total £	Motor vehicles £	Fixtures, furniture and equipment £	Short leaseholds and leasehold improvements £	Long leaseholds £	Freehold properties £
<b>Cost</b>						
At 1 July 1998	2,748,535	862,581	1,288,304	155,109	2,019	440,522
Additions	462,826	59,185	229,600	7,381	-	166,660
	3,211,361	921,766	1,517,904	162,490	2,019	607,182
Disposals	(44,799)	(44,799)	-	-	-	-
At 30 June 1999	3,166,562	876,967	1,517,904	162,490	2,019	607,182
<b>Depreciation</b>						
At 1 July 1998	1,621,559	528,592	916,433	107,430	527	68,577
Provided in the year	266,264	96,071	150,752	7,260	40	12,141
	1,887,823	624,663	1,067,185	114,690	567	80,718
Eliminated on disposals	(35,860)	(35,860)	-	-	-	-
At 30 June 1999	1,851,963	588,803	1,067,185	114,690	567	80,718
Net book amount at 30 June 1999	1,314,599	288,164	450,719	47,800	1,452	526,464
Net book amount at 30 June 1998	1,126,976	333,989	371,871	47,679	1,492	371,945

**GOADSBY & HARDING (HOLDINGS) LIMITED  
AND ITS SUBSIDIARY UNDERTAKINGS**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 1999**

**8 TANGIBLE FIXED ASSETS (CONTINUED)**

The figures stated above include assets held under finance leases as follows:

	<b>Group</b>	
	<b>Equipment</b>	<b>Motor vehicles</b>
	<b>£</b>	<b>£</b>
Net book amount at 30 June 1999	<u>170,427</u>	<u>202,271</u>
Net book amount at 30 June 1998	<u>89,564</u>	<u>210,518</u>
Depreciation provided in the year	<u>18,935</u>	<u>67,432</u>

The gross amount of land and buildings on which depreciation is being provided is as follows:

	<b>1999</b>	<b>1998</b>
	<b>£</b>	<b>£</b>
Freehold properties	607,182	440,522
Long leaseholds	<u>2,019</u>	<u>2,019</u>
	<u>609,201</u>	<u>442,541</u>

**The Company**

	<b>Fixtures, furniture and equipment</b>
	<b>£</b>
Cost	
At 1 July 1998 and at 30 June 1999	<u>2,056</u>
Depreciation	
At 1 July 1998 and at 30 June 1999	<u>2,055</u>
Net book amount	
At 30 June 1999 and at 30 June 1998	<u>1</u>

**GOADSBY & HARDING (HOLDINGS) LIMITED  
AND ITS SUBSIDIARY UNDERTAKINGS**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 1999**

**9 FIXED ASSET INVESTMENTS**

**The company**

	Shares in group undertakings £
Cost	
At 1 July 1998 and at 30 June 1999	<u>3,721,569</u>

At 30 June 1999 the company had interests in the following group undertakings:

<i>Name of group undertaking</i>	<i>Class of share capital held</i>	<i>Proportion held</i>	<i>Nature of business</i>
Goadsby & Harding Limited	Ordinary	100%	Estate agents, surveyors and valuers
Goadsby & Harding (Survey & Valuation) Limited	Ordinary	100%	Valuers

**10 DEBTORS**

	The Group 1999 £	The Group 1998 £	The Company 1999 £	The Company 1998 £
Amounts falling due within one year:				
Trade debtors	835,735	743,841	-	-
Amounts owed by group undertakings	-	-	216,397	-
Other debtors	14,773	9,898	2	2
Prepayments and accrued income	197,331	191,778	-	-
	<u>1,047,839</u>	<u>945,517</u>	<u>216,399</u>	<u>2</u>
Amounts falling due after more than one year:				
Advance corporation tax	1,050	27,300	1,050	27,300
	<u>1,048,889</u>	<u>972,817</u>	<u>217,449</u>	<u>27,302</u>

**GOADSBY & HARDING (HOLDINGS) LIMITED  
AND ITS SUBSIDIARY UNDERTAKINGS**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 1999**

**11 CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>The Group</b> <b>1999</b> <b>£</b>	<b>The Group</b> <b>1998</b> <b>£</b>	<b>The Company</b> <b>1999</b> <b>£</b>	<b>The Company</b> <b>1998</b> <b>£</b>
Bank loan	43,244	39,086	37,285	33,699
Trade creditors	445,006	420,732	-	2,350
Amount owed to subsidiary undertaking	-	-	16,500	307,450
Current corporation tax	68,750	78,617	-	-
Advance corporation tax	318	26,568	318	26,568
Social security and other taxes	294,248	246,676	-	-
Proposed dividends	106,274	106,274	106,274	106,274
Other creditors	34,316	15,893	4	3
Accruals	689,572	550,263	2,449	9,743
Amounts due under finance leases	116,624	135,054	-	-
	<u>1,798,352</u>	<u>1,619,163</u>	<u>162,830</u>	<u>486,087</u>

**12 CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>The Group</b> <b>1999</b> <b>£</b>	<b>The Group</b> <b>1998</b> <b>£</b>	<b>The Company</b> <b>1999</b> <b>£</b>	<b>The Company</b> <b>1998</b> <b>£</b>
Bank loan	752,648	802,577	685,189	728,439
Loan from subsidiary undertaking	-	-	1,450,000	1,450,000
Amounts due under finance leases	76,819	58,291	-	-
	<u>829,467</u>	<u>860,868</u>	<u>2,135,189</u>	<u>2,178,439</u>

**GOADSBY & HARDING (HOLDINGS) LIMITED  
AND ITS SUBSIDIARY UNDERTAKINGS**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 1999**

**12 CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR (CONTINUED)**

Borrowings are repayable as follows:

	The Group 1999 £	The Group 1998 £	The Company 1999 £	The Company 1998 £
Within one year				
Bank loans and overdrafts	43,244	39,086	37,285	33,699
Finance leases	116,624	135,054	-	-
After one and within two years				
Bank loans	47,158	42,619	40,656	36,745
Finance leases	56,065	50,543	-	-
After two and within five years				
Bank loans	168,664	152,404	145,382	131,399
Finance leases	20,754	7,748	-	-
After five years				
Bank loans	536,826	607,554	499,151	560,295
Loan from group undertakings	-	-	1,450,000	1,450,000
	<u>989,335</u>	<u>1,035,008</u>	<u>2,172,474</u>	<u>2,212,138</u>

The bank facilities are secured by fixed charges over freehold properties of Goadsby & Harding (Holdings) Limited and Goadsby & Harding Limited. There are also floating charges over the assets of these companies and unlimited cross-guarantees between the company and its subsidiary undertaking, Goadsby & Harding Limited.

The bank loans are repayable by instalments expiring in 2008 and 2010 and interest is charged at fluctuating market rates.

The loan from the subsidiary undertaking of £1,450,000 is repayable otherwise than by instalments and is interest free. It is repayable upon the joint agreement of Goadsby & Harding (Holdings) Limited and Goadsby & Harding Limited and it is not intended that the loan will be repayable within five years.

**GOADSBY & HARDING (HOLDINGS) LIMITED  
AND ITS SUBSIDIARY UNDERTAKINGS**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 1999**

**13 PROVISION FOR LIABILITIES AND CHARGES - DEFERRED TAXATION**

The movements in the deferred taxation provision in the financial statements are set out below:

	The Group 1999 £	The Group 1998 £	The Company 1999 £	The Company 1998 £
Accelerated capital allowances	15,199	11,665	-	-
Other timing differences	(9,984)	(4,272)	-	-
	<u>5,215</u>	<u>7,393</u>	<u>-</u>	<u>-</u>
At 1 July 1998	7,393	-	-	-
Transfer to profit and loss account	(2,178)	7,393	-	-
At 30 June 1999	<u>5,215</u>	<u>7,393</u>	<u>-</u>	<u>-</u>

Deferred tax has been provided in full.

**14 SHARE CAPITAL**

	1999 £	1998 £
Authorised 1,000,000 ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>
Allotted, called up and fully paid 215,804 (1998: 213,424) ordinary shares of £1 each	<u>215,804</u>	<u>213,424</u>

**Allotments during the year**

The company made an allotment of 2,380 ordinary shares at £10.50 per share. The difference between the total consideration of £24,990 and the nominal value of £2,380 has been credited to the share premium account (£22,610).

**GOADSBY & HARDING (HOLDINGS) LIMITED  
AND ITS SUBSIDIARY UNDERTAKINGS**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 1999**

**15 SHARE PREMIUM ACCOUNT AND RESERVES**

	Share premium account		Capital redemption reserve		Profit and loss account	
	The Group	The Company	The Group	The Company	The Group	The Company
	£	£	£	£	£	£
At 1 July 1998	323,563	323,563	55,168	55,168	125,246	492,983
Result for the year	-	-	-	-	1,018	524,529
Premium on allotment in year	22,610	22,610	-	-	-	-
Reduction in provision for preliminary expenses	7,158	7,158	-	-	16,000	-
At 30 June 1999	<u>353,331</u>	<u>353,331</u>	<u>55,168</u>	<u>55,168</u>	<u>142,264</u>	<u>1,017,512</u>

The cumulative amount of goodwill arising from acquisitions, which has been written off to group reserves, is £76,921 (1998: £76,921).

The balances on the share premium account and the capital redemption reserve may not be legally distributed under Section 263 of the Companies Act 1985.

**16 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	The Group 1999 £	The Group 1998 £
Profit for the financial year	106,018	325,669
Dividends	(105,000)	(247,335)
	<u>1,018</u>	<u>78,334</u>
Purchase of own shares	-	(176,650)
Goodwill written off to reserves	-	(76,921)
Issue of shares	24,990	-
Reduction in provision for preliminary expenses	23,158	-
Net increase/(decrease) in shareholders' funds	<u>49,166</u>	<u>(175,237)</u>
Shareholders' funds at 1 July 1998	<u>717,401</u>	<u>892,638</u>
Shareholders' funds at 30 June 1999	<u>766,567</u>	<u>717,401</u>

**GOADSBY & HARDING (HOLDINGS) LIMITED  
AND ITS SUBSIDIARY UNDERTAKINGS**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 1999**

**17 NET CASH INFLOW FROM OPERATING ACTIVITIES**

	1999 £	1998 £
Operating profit	254,640	137,719
Depreciation	266,264	253,299
Amortisation of goodwill	68,896	66,239
(Profit) on sale of fixed assets	(4,546)	(3,254)
Increase in debtors	(106,759)	(62,949)
Increase/(decrease) in creditors	245,314	(188,591)
Net cash inflow from operating activities	<u>723,809</u>	<u>202,463</u>

**18 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT**

	1999 £	1998 £
(Decrease) in cash in the year	(53,129)	(429,102)
Cash outflow from financing	45,771	204,994
Cash outflow from finance leases	153,791	140,726
Change in net debt resulting from cash flows	<u>146,433</u>	<u>(83,382)</u>
Inception of finance leases	(153,889)	(154,250)
Movement in net debt in the year	<u>(7,456)</u>	<u>(237,632)</u>
Net debt at 1 July 1998	<u>(704,943)</u>	<u>(467,311)</u>
Net debt at 30 June 1999	<u>(712,399)</u>	<u>(704,943)</u>

**19 ANALYSIS OF CHANGES IN NET DEBT**

	At 1 July 1998 £	Cash flow £	Non-cash items £	At 30 June 1999 £
Cash at bank and in hand	330,065	(53,129)	-	276,936
Debt due within one year	(39,086)	(4,158)	-	(43,244)
Debt due after more than one year	(802,577)	49,929	-	(752,648)
Finance leases	(193,345)	153,791	(153,889)	(193,443)
	<u>(704,943)</u>	<u>146,433</u>	<u>(153,889)</u>	<u>(712,399)</u>

**GOADSBY & HARDING (HOLDINGS) LIMITED  
AND ITS SUBSIDIARY UNDERTAKINGS**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 1999**

**20 CAPITAL COMMITMENTS**

	<b>The Group 1999 £</b>	<b>The Group 1998 £</b>	<b>The Company 1999 £</b>	<b>The Company 1998 £</b>
Contracted for but not provided in these financial statements	<u>13,000</u>	<u>132,000</u>	<u>-</u>	<u>-</u>

**21 CONTINGENT LIABILITIES**

There were no contingent liabilities at 30 June 1999 or 30 June 1998.

**22 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. Contributions totalling £16,164 (1998: £3,728) were payable to the funds at the year end and are included in creditors.

**23 OPERATING LEASE COMMITMENTS**

The group has operating lease payments amounting to £190,970 (1998: £167,250) which are due within one year. The leases to which these amounts relate expire as follows:

	<b>1999</b>		<b>1998</b>	
	<b>Land and buildings £</b>	<b>Other £</b>	<b>Land and buildings £</b>	<b>Other £</b>
In one year or less	30,970	200	11,950	200
Between one and five years	76,050	-	55,500	-
In five years or more	83,750	-	99,600	-
	<u>190,770</u>	<u>200</u>	<u>167,050</u>	<u>200</u>

**GOADSBY & HARDING (HOLDINGS) LIMITED  
AND ITS SUBSIDIARY UNDERTAKINGS**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 1999

---

**24 POST BALANCE SHEET EVENTS**

The company has agreed to acquire, shortly after the year end, 5,133 ordinary shares from News Communications & Media Plc.