

Financial Statements Goadsby & Harding (Holdings) Limited

For the Year Ended 30 June 2008

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Company No. 2446167

Company information

Company registration number	2446167
Registered office	99 Holdenhurst Road Bournemouth Dorset BH8 8DY
Directors	R D N Craven D Errington N Price D N Huck
Secretary	D Errington
Website	www.goadsby.com
Auditor	Grant Thornton UK LLP Chartered Accountants Registered Auditors No 1 Dorset Street Southampton Hampshire SO15 2DP

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Report of the directors

The directors present their report and the financial statements of the company for the year ended 30 June 2008.

Principal activities and business review

The principal activity of the company was acting as a holding company for its trading subsidiaries and providing management services.

There was a loss for the year after taxation amounting to £392,764, after making provisions for losses of certain subsidiaries of £282,191 (2007: a loss of £23,176).

Results and dividends

The loss for the year amounted to £392,764. Particulars of dividends paid are detailed in note 7 to the financial statements.

The trading results for the year and the company's financial position at the end of the year are shown in the attached 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:

R D N Craven
D Errington
N Price
D N Huck

Directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. 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
9 January 2009



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

We have audited the financial statements of Goadsby & Harding (Holdings) Limited for the year ended 30 June 2008 which comprise the accounting policies, profit and loss account, balance sheet and notes 1 to 26. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditor

The directors' responsibilities for preparing the Report of the Directors and the financial statements in accordance with United Kingdom law and 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).

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

Basis of 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 company's circumstances, consistently applied and adequately disclosed.

Report of the independent auditor to the members of Goadsby & Harding (Holdings) 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 company's affairs as at 30 June 2008 and of its loss 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 Report of the Directors is consistent with the financial statements.

Grant Thornton UK LLP

GRANT THORNTON UK LLP
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS

Southampton
9 January 2009

Accounting policies

Basis of accounting

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

Consolidation

The company was, at the end of the year, a wholly-owned subsidiary of another company incorporated in the EEC and in accordance with section 228 of the Companies Act 1985, is not required to produce, and has not been published, consolidated accounts.

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 on the grounds that a consolidated cash flow statement has been included in the group accounts.

Turnover

Turnover comprises of management charges receivable.

Fixed assets

All fixed assets are initially recorded at cost.

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:

Fixtures & Fittings	- 10% straight line
Motor Vehicles	- 25% reducing balance

No depreciation has been charged during the year on the freehold properties as they were not brought into use until the year end.

Investments

Investments in subsidiaries are included at cost.

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.

Provision for losses of subsidiaries

Provision is made for the accumulated losses of subsidiaries where it is considered unlikely that those losses will be recovered through normal trading.

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	2008 £	2007 £
Turnover	1	1,225,560	1,184,599
Operating costs:			
Staff costs	2	648,600	522,229
Depreciation written off fixed assets	3	55,077	56,348
Other operating charges		955,721	641,525
Operating loss	3	(433,838)	(35,503)
Interest receivable		118,549	70,140
Interest payable and similar charges	5	(103,682)	(57,948)
Loss on ordinary activities before taxation		(418,971)	(23,311)
Tax on loss on ordinary activities	6	(26,207)	(135)
Loss for the financial year	24	(392,764)	(23,176)

All of the activities of the company are classed as continuing.

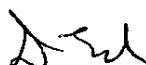
The company has no recognised gains or losses other than the results for the year as set out above.

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

Balance sheet

	Note	2008 £	2007 £
Fixed assets			
Tangible assets	8	867,840	901,694
Investments	9	3,741,569	3,741,569
		<u>4,609,409</u>	<u>4,643,263</u>
Current assets			
Debtors	10	3,263,358	3,039,107
Creditors: amounts falling due within one year	11	4,980,147	4,225,253
Net current liabilities		<u>(1,716,789)</u>	<u>(1,186,146)</u>
Total assets less current liabilities		<u>2,892,620</u>	<u>3,457,117</u>
Creditors: amounts falling due after more than one year	12	2,093,295	2,203,746
		<u>799,325</u>	<u>1,253,371</u>
Provisions for liabilities			
Deferred taxation	15	3,209	4,491
		<u>796,116</u>	<u>1,248,880</u>
Capital and reserves			
Called-up equity share capital	21	173,667	173,667
Share premium account	22	392,878	392,878
Other reserves	23	101,363	101,363
Profit and loss account	24	128,208	580,972
Shareholders' funds	25	<u>796,116</u>	<u>1,248,880</u>

These financial statements were approved by the directors and authorised for issue on 9 January 2009, and are signed on their behalf by:


D Errington
Director


N Price
Director

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

Notes to the financial statements

1 Turnover

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

	2008 £	2007 £
United Kingdom	<u>1,225,560</u>	<u>1,184,599</u>

2 Directors and employees

The average number of persons employed by the company during the financial year, including the directors, amounted to 30 (2007 - 27). The number of employees at 30 June 2008 was 29.

The aggregate payroll costs of the above were:

	2008 £	2007 £
Wages and salaries	577,228	457,168
Social security costs	55,722	49,340
Other pension costs	15,650	15,721
	<u>648,600</u>	<u>522,229</u>

3 Operating loss

Operating loss is stated after charging:

	2008 £	2007 £
Depreciation of owned fixed assets	50,473	51,744
Depreciation of assets held under hire purchase agreements	4,604	4,604
Auditor's remuneration:		
Audit fees	3,300	3,120
Operating lease costs:		
Other	36,222	36,795
Provision for losses of trading subsidiaries	<u>282,191</u>	<u>-</u>

4 Directors

Remuneration in respect of directors was as follows:

	2008 £	2007 £
Emoluments receivable	106,105	224,068
Value of company pension contributions to money purchase schemes	15,650	14,553
	<u>121,755</u>	<u>238,621</u>

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

	2008 No	2007 No
Money purchase schemes	<u>1</u>	<u>1</u>

5 Interest payable and similar charges

	2008 £	2007 £
Interest payable on bank borrowing	98,813	50,798
Finance charges payable under hire purchase agreements	4,869	7,150
	<u>103,682</u>	<u>57,948</u>

6 Taxation on ordinary activities

(a) Analysis of charge in the year

	2008 £	2007 £
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 29.50% (2007 - 19%)	48,000	5,000
Over/under provision in prior year	(2,425)	273
	<u>45,575</u>	<u>5,273</u>
Receipt for group losses	(70,500)	-
Total current tax	<u>(24,925)</u>	<u>5,273</u>
Deferred tax:		
Origination and reversal of timing differences	(1,282)	(5,408)
Tax on loss on ordinary activities	<u>(26,207)</u>	<u>(135)</u>

6 Taxation on ordinary activities (continued)

(b) Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 29.50% (2007 - 19%).

	2008 £	2007 £
Loss on ordinary activities before taxation	<u>(418,971)</u>	<u>(23,311)</u>
Loss on ordinary activities by rate of tax	(123,596)	(4,429)
Expenses not deductible for tax purposes, including provision for losses of trading subsidiaries	95,076	6,927
Capital allowances for period less than depreciation	5,067	1,612
Adjustments to tax charge in respect of previous periods	(2,425)	273
Payment for group loss relief	1,606	-
Short term timing differences	(653)	890
Total current tax (note 6(a))	<u>(24,925)</u>	<u>5,273</u>

7 Dividends

Dividends on shares classed as equity

	2008 £	2007 £
Paid during the year:		
Equity dividends on ordinary shares	<u>60,000</u>	<u>368,532</u>

8 Tangible fixed assets

	Freehold Property £	Fixtures & Fittings £	Motor Vehicles £	Total £
Cost				
At 1 July 2007	745,031	418,071	39,460	1,202,562
Additions	-	20,240	1,322	21,562
Disposals	-	(50,638)	(805)	(51,443)
At 30 June 2008	<u>745,031</u>	<u>387,673</u>	<u>39,977</u>	<u>1,172,681</u>
Depreciation				
At 1 July 2007	-	268,761	32,107	300,868
Charge for the year	-	52,993	2,084	55,077
On disposals	-	(50,638)	(466)	(51,104)
At 30 June 2008	<u>-</u>	<u>271,116</u>	<u>33,725</u>	<u>304,841</u>
Net book value				
At 30 June 2008	<u>745,031</u>	<u>116,557</u>	<u>6,252</u>	<u>867,840</u>
At 30 June 2007	<u>745,031</u>	<u>149,310</u>	<u>7,353</u>	<u>901,694</u>

8 Tangible fixed assets (continued)

Included within the net book value of £867,840 is £36,834 (2007 - £41,438) 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 £4,604 (2007 - £4,604).

9 Investments

Investments

	£
Cost	
At 1 July 2007 and 30 June 2008	<u>3,741,569</u>
Net book value	
At 30 June 2008	<u>3,741,569</u>
At 30 June 2007	<u>3,741,569</u>

At 30 June 2008, the company's investments were as follows:

	Company registration number	Class of share capital	Proportion held	Nature of business
Goadsby & Harding (Residential) Limited	1871280	Ordinary	100%	Estate agents, surveyors & valuers
Goadsby & Harding (Commercial) Limited	4150232	Ordinary	100%	Estate agents, surveyors & valuers
Goadsby & Harding (Survey & Valuation) Limited	2926146	Ordinary	100%	Valuers and related services
St Manor Limited	4774941	Ordinary	100%	Financial services
Goadsby & Harding Limited	4165668	Ordinary	100%	Dormant

10 Debtors

	2008 £	2007 £
Trade debtors	3,504	3,540
Amounts owed by group undertakings	3,097,003	2,742,496
Loans to St Peters Limited	79,252	169,252
Other debtors	15,170	60,150
Prepayments and accrued income	68,429	63,669
	<u>3,263,358</u>	<u>3,039,107</u>

11 Creditors: amounts falling due within one year

	2008	2007
	£	£
Bank overdraft	419,405	463,913
Bank loans	86,892	90,540
Trade creditors	126,258	296,145
Amounts owed to group undertakings	4,225,321	3,233,965
Corporation tax	50,440	12,125
Other taxation and social security	32,327	33,049
Amounts due under hire purchase agreements	14,904	14,341
Other creditors	7,064	9,728
Accruals and deferred income	17,536	71,447
	<u>4,980,147</u>	<u>4,225,253</u>

Included in other creditors are outstanding pension contributions of £3,275 (2007 - £Nil).

12 Creditors: amounts falling due after more than one year

	2008	2007
	£	£
Bank loans	467,425	562,300
Amounts owed to group undertakings	1,620,244	1,620,244
Amounts due under hire purchase agreements	5,626	21,202
	<u>2,093,295</u>	<u>2,203,746</u>

13 Creditors - borrowings

Borrowings, excluding finance leases, are repayable as follows:

	2008	2007
	£	£
Amounts repayable:		
In one year or less or on demand	506,297	554,453
In more than one year but not more than two years	45,445	83,425
In more than two years but not more than five years	84,813	88,950
In more than five years	337,167	389,925
	<u>973,722</u>	<u>1,116,753</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 certain of its fellow group undertakings.

The freehold property loan taken out in 2007 is repayable by monthly instalments over 15 years and interest is charged at 1.25% above base rate.

14 Commitments under hire purchase agreements

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

	2008	2007
	£	£
Amounts payable within 1 year	14,904	14,341
Amounts payable between 1 and 2 years	5,626	15,843
Amounts payable between 2 and 5 years	-	5,359
	<u>20,530</u>	<u>35,543</u>

15 Deferred taxation

The movement in the deferred taxation provision during the year was:

	2008	2007
	£	£
Provision brought forward	4,491	9,899
Profit and loss account movement arising during the year	(1,282)	(5,408)
Provision carried forward	<u>3,209</u>	<u>4,491</u>

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

	2008	2007
	£	£
Excess of taxation allowances over depreciation on fixed assets	4,126	9,572
Other timing differences	(917)	(5,081)
	<u>3,209</u>	<u>4,491</u>

16 Commitments under operating leases

At 30 June 2008 the company had annual commitments under non-cancellable operating leases as set out below.

	Land & buildings	
	2008	2007
	£	£
Operating leases which expire:		
Within 1 year	8,000	8,000
Within 2 to 5 years	27,902	22,572
	<u>35,902</u>	<u>30,572</u>

17 Capital commitments

The company had no capital commitments at 30 June 2008 or 30 June 2007.

18 Contingencies

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

The bank has first legal charge over the freehold property in Winchester.

There were no other contingent liabilities at 30 June 2008 and 30 June 2007.

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 St Gresham Limited, the company is exempt from the requirements of FRS 8 to disclose transactions with other members of the group headed by St Gresham Limited.

During the year the company paid rent of £39,899 (2007 - £36,795) to St Peters Limited, a company in which D Errington and D N Huck are directors. At the year end the company owed £9,763 (2007 - £7,200) in respect of this rent. These transactions were at arms length and in the normal course of business.

21 Share capital

Authorised share capital:

	2008	2007
	£	£
1,000,000 Ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>

Allotted, called up and fully paid:

	2008		2007	
	No	£	No	£
Ordinary shares of £1 each	<u>173,667</u>	<u>173,667</u>	<u>173,667</u>	<u>173,667</u>

22 Share premium account

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

23 Other reserves

	2008	2007
	£	£
Capital redemption reserve	<u>101,363</u>	<u>101,363</u>

24 Profit and loss account

	2008	2007
	£	£
Balance brought forward	580,972	972,680
Loss for the financial year	(392,764)	(23,176)
Equity dividends	(60,000)	(368,532)
Balance carried forward	<u>128,208</u>	<u>580,972</u>

25 Reconciliation of movements in shareholders' funds

	2008	2007
	£	£
Loss for the financial year	(392,764)	(23,176)
Equity dividends	(60,000)	(368,532)
Net reduction to shareholders' funds	(452,764)	(391,708)
Opening shareholders' funds	1,248,880	1,640,588
Closing shareholders' funds	<u>796,116</u>	<u>1,248,880</u>

26 Ultimate parent company

The company is a wholly owned subsidiary of St Gresham Limited.

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