

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

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
30 JUNE 1996**

**Company Number: 2446167**

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

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 1996**

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# 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 1996.

### Principal activities

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

### Results

There was a profit for the year after taxation amounting to £76,114. The directors recommend a final dividend absorbing £50,000 leaving £26,114 retained.

### Review of the business

The company has had a better year. With a sound cost base it is well placed to cope with the vagaries of the property market which has been very volatile in the last ten years.

### Directors

The present membership of the Board is set out below.

All served throughout the year except where indicated.

The interests of the directors in the shares of the company at 1 July 1995 (or the date of their appointment to the Board if later) and at 30 June 1996, were as follows:

|                   |   | The Company<br>Ordinary Shares |        |
|-------------------|---|--------------------------------|--------|
|                   |   | 1996                           | 1995   |
| N Read-Wilson     | (Resigned with effect from 1 July 1996) | 36,001                         | 37,549 |
| J A Tofield       |   | 33,361                         | 34,795 |
| P M de G Ratcliff |   | -                              | -      |
| C Rowley          |   | -                              | -      |
| M D Clatworthy    | (Resigned with effect from 1 July 1996) | 38,334                         | 39,982 |
| R Harcourt        |   | 29,943                         | 31,230 |
| B P Read          |   | 29,630                         | 30,904 |
| D Errington       |   | 18,829                         | 19,638 |
| C L Heighway      |   | 3,673                          | 3,673  |
| D N Huck          |   | 3,673                          | 3,673  |
| R D N Craven      | (Appointed 2 October 1995)              | 2,000                          | -      |
| P Talbot          | (Appointed 2 October 1995)              | 2,000                          | -      |
| N Price           | (Appointed 2 October 1995)              | 2,000                          | -      |
| P Atfield         | (Appointed 2 October 1995)              | 2,000                          | -      |

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

**REPORT OF THE DIRECTORS**

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**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.

**Fixed assets**

The principal items of capital expenditure of the group and the company are set out in note 8 of the financial statements.

**Insurance effected for directors**

The company has maintained insurance for the directors and certain officers of the company against liability arising for negligence or breach of duty in relation to the company, as permitted under section 310 of the Companies Act 1985.

**Charitable donations**

During the year donations to charitable organisations amounted to £598 (1995: £688).

**Auditors**

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

By order of the Board



R HARCOURT  
Chairman

10 September 1996

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

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

We have audited the financial statements on pages 4 to 21 which have been prepared under the accounting policies set out on pages 4 and 5.

#### **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.

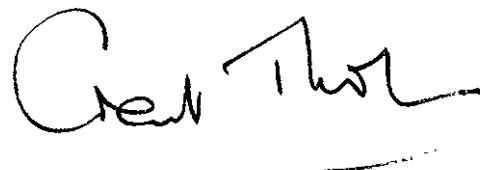
#### **Opinion**

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 1996 and of the result 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

10 September 1996



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

## PRINCIPAL ACCOUNTING POLICIES

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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 1996. All intra group profits or losses are eliminated on consolidation.

Goodwill arising on consolidation is being amortised over a period of 20 years.

### 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:

| Asset  | Method           | Rate                       |
|--|------------------|----------------------------|
| Freehold properties                            | Straight line    | 2% per annum               |
| Long leaseholds                                | Straight line    | 2% per annum               |
| Short leaseholds and<br>leasehold improvements | Straight line    | Period of lease            |
| Fixtures, furniture and<br>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**

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### **Investment properties**

In accordance with Statement of Standard Accounting Practice No 19, investment properties are included in the balance sheet at their open market values. The surpluses or deficits on revaluation of individual properties are transferred to the investment property revaluation reserve. Depreciation is not provided in respect of freehold investment properties. This policy represents a departure from statutory accounting principles, which require depreciation to be provided on all fixed assets. The directors consider that this policy is necessary in order that the financial statements may give a true and fair view.

### **Investments**

Investments in subsidiaries are included at cost.

### **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 1996**

|   | Note | 1996<br>£        | 1996<br>£     | 1995<br>£        | 1995<br>£       |
|---|------|------------------|---------------|------------------|-----------------|
| <b>Turnover</b>   | 1    |                  | 4,486,931     |                  | 4,209,549       |
| Other operating income                                    | 1    |                  | <u>76,423</u> |                  | <u>83,718</u>   |
|   |      |                  | 4,563,354     |                  | 4,293,267       |
| Staff costs   | 3    | 2,542,268        |               | 2,509,366        |                 |
| Depreciation  |      | 181,028          |               | 166,671          |                 |
| Other operating charges                                   |      | <u>1,550,182</u> |               | <u>1,470,318</u> |                 |
|   |      |                  | 4,273,478     |                  | 4,146,355       |
| <b>Trading profit before<br/>amortisation of goodwill</b> |      |                  | 289,876       |                  | 146,912         |
| Amortisation of goodwill                                  | 7    |                  | <u>66,239</u> |                  | <u>66,239</u>   |
| <b>Operating profit</b>                                   |      |                  | 223,637       |                  | 80,673          |
| Interest receivable and<br>similar income                 |      | 24,025           |               | 38,391           |                 |
| Interest payable and<br>similar charges                   | 2    | <u>(92,184)</u>  |               | <u>(88,872)</u>  |                 |
|   |      |                  | (68,159)      |                  | (50,481)        |
| <b>Profit on ordinary activities<br/>before taxation</b>  | 1    |                  | 155,478       |                  | 30,192          |
| Tax on profit on ordinary activities                      | 4    |                  | <u>79,364</u> |                  | <u>30,119</u>   |
| <b>Profit on ordinary activities<br/>after taxation</b>   | 5    |                  | 76,114        |                  | 73              |
| Dividends   | 6    |                  | <u>50,000</u> |                  | <u>50,000</u>   |
| <b>Transfer to/(from) reserves</b>                        | 15   |                  | <u>26,114</u> |                  | <u>(49,927)</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.

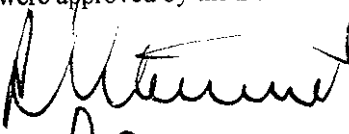
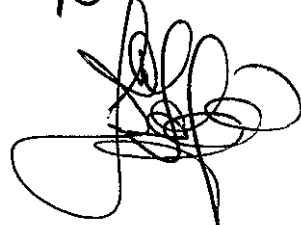


**GOADSBY & HARDING (HOLDINGS) LIMITED  
AND ITS SUBSIDIARY UNDERTAKINGS**

**CONSOLIDATED BALANCE SHEET AT 30 JUNE 1996**

|   | Note | 1996<br>£        | 1996<br>£        | 1995<br>£      | 1995<br>£        |
|---|------|------------------|------------------|----------------|------------------|
| <b>Fixed assets</b>                                     |      |                  |                  |                |                  |
| Intangible assets                                       | 7    |                  | 907,445          |                | 973,684          |
| Tangible assets   | 8    |                  | <u>1,195,024</u> |                | <u>1,180,314</u> |
|   |      |                  | 2,102,469        |                | 2,153,998        |
| <b>Current assets</b>                                   |      |                  |                  |                |                  |
| Debtors   | 10   | 838,713          |                  | 679,027        |                  |
| Cash at bank and in hand                                |      | <u>347,011</u>   |                  | <u>63,777</u>  |                  |
|   |      | 1,185,724        |                  | 742,804        |                  |
| Creditors: amounts falling due within one year          | 11   | <u>1,137,408</u> |                  | <u>783,529</u> |                  |
| Net current assets                                      |      |                  | 48,316           |                | (40,725)         |
| Total assets less current liabilities                   |      |                  | <u>2,150,785</u> |                | <u>2,113,273</u> |
| Creditors: amounts falling due after more than one year | 12   | 1,111,321        |                  | 1,093,010      |                  |
| Provisions for liabilities and charges                  | 13   | <u>-</u>         |                  | <u>6,913</u>   |                  |
|   |      |                  | 1,111,321        |                | 1,099,923        |
|   |      |                  | <u>1,039,464</u> |                | <u>1,013,350</u> |
| <b>Capital and reserves</b>                             |      |                  |                  |                |                  |
| Called up share capital                                 | 14   |                  | 268,592          |                | 268,592          |
| Share premium account                                   | 15   |                  | 323,563          |                | 323,563          |
| Profit and loss account                                 | 15   |                  | 447,309          |                | 421,195          |
| Shareholders' funds                                     | 16   |                  | <u>1,039,464</u> |                | <u>1,013,350</u> |

The financial statements were approved by the Board of Directors on 10 September 1996.

  
R HARCOURT  
  
J A TOFIELD

DIRECTORS

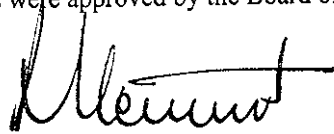
The accompanying accounting policies and notes form an integral part of these financial statements.

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

COMPANY BALANCE SHEET AT 30 JUNE 1996

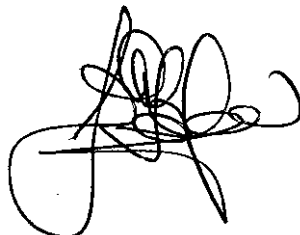
|  | Note | 1996<br>£      | 1996<br>£        | 1995<br>£      | 1995<br>£        |
|--|------|----------------|------------------|----------------|------------------|
| <b>Fixed assets</b>  |      |                |                  |                |                  |
| Tangible assets  | 8    |                | 1                |                | 1                |
| Investments  | 9    |                | 3,711,669        |                | 3,711,669        |
|  |      |                | <u>3,711,670</u> |                | <u>3,711,670</u> |
| <b>Current assets</b>  |      |                |                  |                |                  |
| Debtors  | 10   | 12,821         |                  | 12,820         |                  |
| Cash at bank and in hand                                       |      | <u>113</u>     |                  | <u>920</u>     |                  |
|  |      | 12,934         |                  | 13,740         |                  |
| <b>Creditors: amounts falling due within one year</b>          | 11   | <u>319,077</u> |                  | <u>242,591</u> |                  |
| <b>Net current liabilities</b>                                 |      |                | (306,143)        |                | (228,851)        |
| <b>Total assets less current liabilities</b>                   |      |                | <u>3,405,527</u> |                | <u>3,482,819</u> |
| <b>Creditors: amounts falling due after more than one year</b> | 12   | 2,269,965      |                  | 2,280,018      |                  |
| <b>Provisions for liabilities and charges</b>                  | 13   | <u>-</u>       |                  | <u>-</u>       |                  |
|  |      |                | <u>2,269,965</u> |                | <u>2,280,018</u> |
|  |      |                | <u>1,135,562</u> |                | <u>1,202,801</u> |
| <b>Capital and reserves</b>                                    |      |                |                  |                |                  |
| Called up share capital  | 14   |                | 268,592          |                | 268,592          |
| Share premium account  | 15   |                | 323,563          |                | 323,563          |
| Profit and loss account  | 15   |                | 543,407          |                | 610,646          |
| <b>Shareholders' funds</b>                                     | 16   |                | <u>1,135,562</u> |                | <u>1,202,801</u> |

The financial statements were approved by the Board of Directors on 10 September 1996.



R HARCOURT

DIRECTORS



J A TOFIELD

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 1996**

|   | Note | 1996<br>£       | 1996<br>£       | 1995<br>£       | 1995<br>£        |
|---|------|-----------------|-----------------|-----------------|------------------|
| <b>Net cash inflow<br/>from operating activities</b>              |      |                 | 560,395         |                 | 133,071          |
| <b>Returns on investment and<br/>servicing of finance</b>         |      |                 |                 |                 |                  |
| Interest received   |      | 30,641          |                 | 28,169          |                  |
| Interest paid   |      | (91,418)        |                 | (88,872)        |                  |
| Dividends paid  |      | <u>(50,000)</u> |                 | <u>(53,500)</u> |                  |
|   |      |                 | (110,777)       |                 | (114,203)        |
| <b>Taxation</b>   |      |                 |                 |                 |                  |
| UK corporation tax paid   |      |                 | (31,424)        |                 | (94,459)         |
| <b>Investing activities</b>                                       |      |                 |                 |                 |                  |
| Purchase of tangible fixed assets                                 |      | (58,524)        |                 | (73,698)        |                  |
| Sale of tangible fixed assets                                     |      | <u>10,475</u>   |                 | <u>25,220</u>   |                  |
|   |      |                 | <u>(48,049)</u> |                 | <u>(48,478)</u>  |
| <b>Net cash inflow/(outflow)<br/>before financing</b>             |      |                 | 370,145         |                 | (124,069)        |
| <b>Financing</b>  |      |                 |                 |                 |                  |
| Capital element of finance leases<br>and hire purchase repayments |      | (76,450)        |                 | (31,397)        |                  |
| Repayment of long term loans                                      |      | <u>(10,461)</u> |                 | <u>(34,740)</u> |                  |
|   | 17   |                 | <u>(86,911)</u> |                 | <u>(66,137)</u>  |
| <b>Change in cash and cash<br/>equivalents</b>                    | 18   |                 | <u>283,234</u>  |                 | <u>(190,206)</u> |
| <b>Operating profit reconciliation</b>                            |      |                 |                 |                 |                  |
| Operating profit  |      |                 | 223,637         |                 | 80,673           |
| Depreciation and amortisation<br>of goodwill                      |      |                 | 248,979         |                 | 230,964          |
| (Profit)/loss on sale of fixed assets                             |      |                 | (1,712)         |                 | 1,946            |
| (Increase)/decrease in debtors                                    |      |                 | (168,927)       |                 | 90,683           |
| Increase/(decrease) in creditors                                  |      |                 | <u>258,418</u>  |                 | <u>(271,195)</u> |
| <b>Net cash inflow from<br/>operating activities</b>              |      |                 | <u>560,395</u>  |                 | <u>133,071</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 1996**

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

The turnover and profit on ordinary activities before taxation are attributable to residential and commercial estate agency, surveying and related activities.

The profit on ordinary activities is stated after:

|  | 1996<br>£      | 1995<br>£      |
|--|----------------|----------------|
| Auditors' remuneration                                     | 16,000         | 15,000         |
| Depreciation of tangible fixed assets                      | 182,740        | 164,725        |
| (Profit)/loss on disposal of tangible fixed assets         | (1,712)        | 1,946          |
| Operating lease rentals                                    | <u>258,028</u> | <u>273,005</u> |
| Other operating income includes:<br>Rents receivable (net) | <u>76,423</u>  | <u>83,718</u>  |

**2 INTEREST PAYABLE AND SIMILAR CHARGES**

|   | 1996<br>£     | 1995<br>£     |
|---|---------------|---------------|
| On bank loans, overdrafts and other loans<br>repayable within 5 years otherwise than by instalments | 1,447         | 1,375         |
| repayable wholly or partly in more than 5 years   | <u>90,737</u> | <u>87,497</u> |
|   | <u>92,184</u> | <u>88,872</u> |

**3 DIRECTORS AND EMPLOYEES**

|  | 1996<br>£        | 1995<br>£        |
|--|------------------|------------------|
| Staff costs during the year were as follows: |                  |                  |
| Wages and salaries                           | 2,251,076        | 2,265,333        |
| Social security costs                        | 208,270          | 203,762          |
| Other pension costs                          | <u>82,922</u>    | <u>40,271</u>    |
|  | <u>2,542,268</u> | <u>2,509,366</u> |

The average number of employees of the group during the year was 190 (1995: 201).

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 1996**

**DIRECTORS AND EMPLOYEES (CONTINUED)**

Remuneration in respect of directors was as follows:

|                         | 1996<br>£      | 1995<br>£      |
|-------------------------|----------------|----------------|
| Management remuneration | 634,928        | 576,211        |
| Pension costs           | 63,901         | 19,778         |
|                         | <u>698,829</u> | <u>595,989</u> |

The emoluments of the directors, excluding pension contributions, were as follows:

|                           | 1996<br>£     | 1995<br>£     |
|---------------------------|---------------|---------------|
| The Chairman              | <u>66,051</u> | <u>82,220</u> |
| The highest paid director | <u>85,325</u> | <u>91,322</u> |

The emoluments of the directors, excluding pension contributions, fell within the following ranges:

|                    | Number    | Number    |
|--------------------|-----------|-----------|
| £0 to £5,000       | 2         | 2         |
| £25,001 to £30,000 | 3         | -         |
| £30,001 to £35,000 | 1         | -         |
| £50,001 to £55,000 | -         | 2         |
| £55,001 to £60,000 | 2         | -         |
| £60,001 to £65,000 | 3         | 1         |
| £65,001 to £70,000 | 1         | 1         |
| £70,001 to £75,000 | 1         | -         |
| £75,001 to £80,000 | -         | 1         |
| £80,001 to £85,000 | -         | 1         |
| £85,001 to £90,000 | 1         | 1         |
| £90,001 to £95,000 | -         | 1         |
|                    | <u>14</u> | <u>10</u> |

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 1996**

**4 TAX ON PROFIT ON ORDINARY ACTIVITIES**

The taxation charge is based on the profit for the year and represents:

|                                   | 1996<br>£     | 1995<br>£     |
|-----------------------------------|---------------|---------------|
| Corporation tax at 25% (1995 25%) | 85,293        | 31,306        |
| Deferred tax (note 13)            | (7,682)       | (1,195)       |
|                                   | <u>77,611</u> | <u>30,111</u> |
| Adjustments for prior year:       |               |               |
| Corporation tax                   | 984           | 185           |
| Deferred tax (note 13)            | 769           | (177)         |
|                                   | <u>79,364</u> | <u>30,119</u> |

**5 PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION**

The company has taken advantage of section 230 (2) 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 loss of £67,239 (1995: £66,434 loss) which is dealt with in the financial statements of the company.

**6 DIVIDENDS**

|  | 1996<br>£     | 1995<br>£     |
|--|---------------|---------------|
| Ordinary shares - proposed final dividend of 18.85p per share (1995: 18.85p) | <u>50,000</u> | <u>50,000</u> |

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 1996**

**7 INTANGIBLE FIXED ASSETS**

|                                 | <b>Goodwill on<br/>consolidation<br/>£</b> |
|---------------------------------|--|
| The Group                       |  |
| Cost                            |  |
| At 1 July 1995 and              |  |
| At 30 June 1996                 | <u>1,324,749</u>                           |
| Amounts written off             |  |
| At 1 July 1995                  | 351,065                                    |
| Provided in the year            | <u>66,239</u>                              |
| At 30 June 1996                 | <u>417,304</u>                             |
| Net book amount at 30 June 1996 | <u>907,445</u>                             |
| Net book amount at 30 June 1995 | <u>973,684</u>                             |

Goodwill on consolidation relates to the acquisition of Goadsby & Harding Limited and is being amortised over a period of 20 years.

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

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 1996**

**8 TANGIBLE FIXED ASSETS**

| The Group                       | Total<br>£ | Motor vehicles<br>£ | Fixtures<br>and<br>furniture and<br>equipment<br>£ | Short leaseholds<br>and leasehold<br>improvements<br>£ | Long<br>leaseholds<br>£ | Freehold<br>properties<br>£ | Investment<br>property<br>£ |
|---------------------------------|------------|---------------------|--|--|-------------------------|-----------------------------|-----------------------------|
| Cost                            |            |                     |  |  |                         |                             |                             |
| At 1 July 1995                  | 2,354,674  | 668,505             | 816,462  | 144,627  | 2,019                   | 322,479                     | 400,582                     |
| Additions                       | 203,588    | 114,016             | 84,590   | 4,982  | -                       | -                           | -                           |
|                                 | 2,558,262  | 782,521             | 901,052  | 149,609  | 2,019                   | 322,479                     | 400,582                     |
| Disposals                       | (43,091)   | (43,091)            | -  | -  | -                       | -                           | -                           |
| At 30 June 1996                 | 2,515,171  | 739,430             | 901,052  | 149,609  | 2,019                   | 322,479                     | 400,582                     |
| Depreciation                    |            |                     |  |  |                         |                             |                             |
| At 1 July 1995                  | 1,174,360  | 423,771             | 623,443  | 79,866   | 407                     | 46,873                      | -                           |
| Provided in the year            | 182,740    | 88,157              | 76,840   | 11,255   | 40                      | 6,448                       | -                           |
|                                 | 1,357,100  | 511,928             | 700,283  | 91,121   | 447                     | 53,321                      | -                           |
| Eliminated on disposals         | (36,953)   | (36,953)            | -  | -  | -                       | -                           | -                           |
| At 30 June 1996                 | 1,320,147  | 474,975             | 700,283  | 91,121   | 447                     | 53,321                      | -                           |
| Net book amount at 30 June 1996 | 1,195,024  | 264,455             | 200,769  | 58,488   | 1,572                   | 269,158                     | 400,582                     |
| Net book amount at 30 June 1995 | 1,180,314  | 244,734             | 193,019  | 64,761   | 1,612                   | 275,606                     | 400,582                     |



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**NOTES TO THE FINANCIAL STATEMENTS  
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**TANGIBLE FIXED ASSETS (CONTINUED)**

The investment property is included in the financial statements at its original cost of £400,582. The directors consider that this amount is not materially different from its open market value at 30 June 1996.

The figures stated above include assets held under hire purchase contracts as follows:

|  | <b>Group</b>     |   |
|--|------------------|---|
|  | <b>Equipment</b> | <b>Motor vehicles</b>                           |
|  | <b>£</b>         | <b>£</b>  |
| Net book amount at 30 June 1996        | <u>27,943</u>    | <u>85,512</u>                                   |
| Net book amount at 30 June 1995        | <u>-</u>         | <u>31,796</u>                                   |
| Depreciation provided in the year      | <u>3,105</u>     | <u>28,504</u>                                   |
|  |                  | <b>Fixtures<br/>furniture and<br/>equipment</b> |
|  |                  | <b>£</b>  |
| The company                            |                  |   |
| Cost                                   |                  |   |
| At 1 July 1995 and<br>at 30 June 1996  |                  | <u>2,056</u>                                    |
| Depreciation                           |                  |   |
| At 1 July 1995 and<br>at 30 June 1996  |                  | <u>2,055</u>                                    |
| Net book amount                        |                  |   |
| At 30 June 1996 and<br>at 30 June 1995 |                  | <u>1</u>  |

**GOADSBY & HARDING (HOLDINGS) LIMITED  
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**NOTES TO THE FINANCIAL STATEMENTS  
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**9 FIXED ASSET INVESTMENTS**

The Company

Shares in  
group  
undertakings  
£

Cost  
At 1 July 1995 and at 30 June 1996

3,711,669

At 30 June 1996 the company had interests in the following group undertakings:

| Name of group undertaking                      | Country of incorporation and operation | Class of share capital held | Proportion held | Nature of business                   |
|--|--|-----------------------------|-----------------|--------------------------------------|
| Goadsby & Harding Limited                      | England and Wales                      | Ordinary                    | 100%            | Estate agents, surveyors and valuers |
| Goadsby & Harding (Survey & Valuation) Limited | England and Wales                      | Ordinary                    | 100%            | Valuers                              |

Goadsby & Harding (Survey & Valuation) Limited was dormant throughout the year and therefore it has not been consolidated into these financial statements under section 229(2) of the Companies Act 1985.

**10 DEBTORS**

|   | The Group<br>1996<br>£ | The Group<br>1995<br>£ | The Company<br>1996<br>£ | The Company<br>1995<br>£ |
|---|------------------------|------------------------|--------------------------|--------------------------|
| Amounts falling due within one year:          |                        |                        |                          |                          |
| Trade debtors                                 | 727,880                | 515,931                | -                        | -                        |
| Other debtors                                 | 1,790                  | 13,721                 | 3                        | 2                        |
| Prepayments and accrued income                | 96,225                 | 136,557                | -                        | -                        |
|   | <u>825,895</u>         | <u>666,209</u>         | <u>3</u>                 | <u>2</u>                 |
| Amounts falling due after more than one year: |                        |                        |                          |                          |
| Advance corporation tax                       | 12,818                 | 12,818                 | 12,818                   | 12,818                   |
|   | <u>838,713</u>         | <u>679,027</u>         | <u>12,821</u>            | <u>12,820</u>            |

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 1996**

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

|  | The Group<br>1996<br>£ | The Group<br>1995<br>£ | The Company<br>1996<br>£ | The Company<br>1995<br>£ |
|--|------------------------|------------------------|--------------------------|--------------------------|
| Bank loan                              | 27,154                 | 20,519                 | 27,154                   | 20,519                   |
| Loan in respect of investment property | 8,899                  | 5,534                  | -                        | -                        |
| Trade creditors                        | 312,920                | 283,015                | -                        | -                        |
| Amount owed to subsidiary undertaking  | -                      | -                      | 218,178                  | 150,818                  |
| Current corporation tax                | 72,793                 | 17,940                 | -                        | -                        |
| Advance corporation tax                | 12,818                 | 12,818                 | 12,818                   | 12,818                   |
| Social security and other taxes        | 204,337                | 148,378                | -                        | -                        |
| Proposed dividends                     | 51,274                 | 51,274                 | 51,274                   | 51,274                   |
| Other creditors                        | 8,356                  | 3,553                  | 5                        | 3                        |
| Accruals                               | 398,016                | 229,499                | 9,648                    | 7,159                    |
| Amounts due under finance leases       | 40,841                 | 10,999                 | -                        | -                        |
|  | <u>1,137,408</u>       | <u>783,529</u>         | <u>319,077</u>           | <u>242,591</u>           |

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

|  | The Group<br>1996<br>£ | The Group<br>1995<br>£ | The Company<br>1996<br>£ | The Company<br>1995<br>£ |
|--|------------------------|------------------------|--------------------------|--------------------------|
| Bank loan                              | 819,965                | 830,018                | 819,965                  | 830,018                  |
| Loan in respect of investment property | 252,584                | 262,992                | -                        | -                        |
| Loan from subsidiary undertaking       | -                      | -                      | 1,450,000                | 1,450,000                |
| Amounts due under finance leases       | 38,772                 | -                      | -                        | -                        |
|  | <u>1,111,321</u>       | <u>1,093,010</u>       | <u>2,269,965</u>         | <u>2,280,018</u>         |
|  | -                      | -                      | 1,450,000                | 1,450,000                |
| otherwise than by instalments)         | <u>1,188,215</u>       | <u>1,130,062</u>       | <u>2,297,119</u>         | <u>2,300,537</u>         |

**GOADSBY & HARDING (HOLDINGS) LIMITED  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 1996**

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

Borrowings are repayable as follows:

|  | The Group<br>1996<br>£ | The Group<br>1995<br>£ | The Company<br>1996<br>£ | The Company<br>1995<br>£ |
|--|------------------------|------------------------|--------------------------|--------------------------|
| Within one year  |                        |                        |                          |                          |
| Bank loans   | 36,053                 | 26,053                 | 27,154                   | 20,519                   |
| Finance leases   | 40,841                 | 10,999                 | -                        | -                        |
| After one and within two years   |                        |                        |                          |                          |
| Bank loans   | 37,934                 | 28,202                 | 29,191                   | 22,212                   |
| Finance leases   | 38,772                 | -                      | -                        | -                        |
| After two and within five years  |                        |                        |                          |                          |
| Bank loans   | 131,741                | 99,345                 | 101,376                  | 78,247                   |
| After five years   |                        |                        |                          |                          |
| Bank loans (repayable by instalments)                                  | 902,874                | 965,463                | 689,398                  | 729,559                  |
| Loan from group undertakings (repayable otherwise than by instalments) | -                      | -                      | 1,450,000                | 1,450,000                |
|  | <u>1,188,215</u>       | <u>1,130,062</u>       | <u>2,297,119</u>         | <u>2,300,537</u>         |

The total value of borrowings repayable by instalments, any part of which falls due after five years is as follows:

|            | The Group<br>1996<br>£ | The Group<br>1995<br>£ | The Company<br>1996<br>£ | The Company<br>1995<br>£ |
|------------|------------------------|------------------------|--------------------------|--------------------------|
| Bank loans | <u>1,108,602</u>       | <u>1,119,063</u>       | <u>847,119</u>           | <u>850,537</u>           |

The bank facilities are secured by fixed charges over freehold properties of the group. There are also floating charges over the assets of the group and unlimited cross-guarantees between the company and its subsidiary undertaking. A further bank loan in respect of the investment property is secured by means of a fixed charge over the investment property.

The bank loan and the loan in respect of the investment property are repayable by instalments expiring in 2010 and 2011 respectively 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 both companies and it is not intended that the loan will be repayable within five years.

**GOADSBY & HARDING (HOLDINGS) LIMITED  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 1996**

**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<br>1996<br>£ | The Group<br>1995<br>£ | The Company<br>1996<br>£ | The Company<br>1995<br>£ |
|-------------------------------------|------------------------|------------------------|--------------------------|--------------------------|
| Accelerated capital allowances      | -                      | 5,372                  | -                        | -                        |
| Other timing differences            | -                      | 1,541                  | -                        | -                        |
|                                     | <u>-</u>               | <u>6,913</u>           | <u>-</u>                 | <u>-</u>                 |
| At 1 July 1995                      | 6,913                  | 8,285                  | -                        | -                        |
| Transfer to profit and loss account | (6,913)                | (1,372)                | -                        | -                        |
| At 30 June 1996                     | <u>-</u>               | <u>6,913</u>           | <u>-</u>                 | <u>-</u>                 |

Deferred tax has been provided in full.

**14 SHARE CAPITAL**

|  | 1996 & 1995<br>£ |
|--|------------------|
| Authorised<br>1,000,000 ordinary shares of £1 each                       | <u>1,000,000</u> |
| Allotted, called up and fully paid<br>268,592 ordinary shares of £1 each | <u>268,592</u>   |

**15 SHARE PREMIUM ACCOUNT AND RESERVES**

|                     | Share premium account |                  | Profit and loss account |                  |
|---------------------|-----------------------|------------------|-------------------------|------------------|
|                     | The Group<br>£        | The Company<br>£ | The Group<br>£          | The Company<br>£ |
| At 1 July 1995      | 323,563               | 323,563          | 421,195                 | 610,646          |
| Result for the year | -                     | -                | 26,114                  | (67,239)         |
| At 30 June 1996     | <u>323,563</u>        | <u>323,563</u>   | <u>447,304</u>          | <u>543,407</u>   |

The balance on share premium account may not be legally distributed under Section 263 of the Companies Act 1985.

**GOADSBY & HARDING (HOLDINGS) LIMITED  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 1996**

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

|  | <b>The Group<br/>1996<br/>£</b> | <b>The Group<br/>1995<br/>£</b> |
|--|---------------------------------|---------------------------------|
| Profit for the financial year                  | 76,114                          | 73                              |
| Dividends                                      | (50,000)                        | (50,000)                        |
| Net increase/(decrease) in shareholders' funds | 26,114                          | (49,927)                        |
| Shareholders funds at 1 July 1995              | 1,013,350                       | 1,063,277                       |
| Shareholders' funds at 30 June 1996            | <u>1,039,469</u>                | <u>1,013,350</u>                |

**17 ANALYSIS OF CHANGES IN FINANCING**

|                             | <b>Loans and amount due<br/>under finance leases</b> |                   |
|-----------------------------|--|-------------------|
|                             | <b>1996<br/>£</b>                                    | <b>1995<br/>£</b> |
| At 1 July 1995              | 1,130,062  | 1,153,803         |
| Cash outflow from financing | (86,911)   | (66,137)          |
| Inception of finance leases | 145,064  | 42,396            |
| At 30 June 1996             | <u>1,188,215</u>                                     | <u>1,130,062</u>  |

**18 ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS**

|                      | <b>1996<br/>£</b> | <b>1995<br/>£</b> |
|----------------------|-------------------|-------------------|
| At 1 July 1995       | 63,777            | 253,983           |
| Net inflow/(outflow) | 283,234           | (190,206)         |
| At 30 June 1996      | <u>347,011</u>    | <u>63,777</u>     |

Cash and cash equivalents comprise:

|                          | <b>1996<br/>£</b> | <b>1995<br/>£</b> | <b>1994<br/>£</b> | <b>Change in<br/>1996<br/>£</b> | <b>Change in<br/>1995<br/>£</b> |
|--------------------------|-------------------|-------------------|-------------------|---------------------------------|---------------------------------|
| Cash at bank and in hand | <u>347,011</u>    | <u>63,777</u>     | <u>253,983</u>    | <u>283,234</u>                  | <u>(190,206)</u>                |

**GOADSBY & HARDING (HOLDINGS) LIMITED  
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**19 CAPITAL COMMITMENTS**

|  | The Group<br>1996<br>£ | The Group<br>1995<br>£ | The Company<br>1996<br>£ | The Company<br>1995<br>£ |
|--|------------------------|------------------------|--------------------------|--------------------------|
| Authorised by the directors but not contracted for | <u>3,000</u>           | <u>9,000</u>           | <u>-</u>                 | <u>-</u>                 |

**20 CONTINGENT LIABILITIES**

There were no contingent liabilities at 30 June 1996 or 30 June 1995.

**21 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 £3,398 (1995: £3,529) were payable to the funds at the year end and are included in creditors.

**22 OPERATING LEASE COMMITMENTS**

The group has operating lease payments amounting to £225,450 (1995: £240,350) which are due within one year. The leases to which these amounts relate expire as follows:

|                            | 1996                       |            | 1995                       |            |
|----------------------------|----------------------------|------------|----------------------------|------------|
|                            | Land and<br>buildings<br>£ | Other<br>£ | Land and<br>buildings<br>£ | Other<br>£ |
| In one year or less        | 33,500                     | 200        | -                          | 230        |
| Between one and five years | 26,900                     | -          | 52,650                     | 120        |
| In five years or more      | 164,850                    | -          | 187,350                    | -          |
|                            | <u>225,250</u>             | <u>200</u> | <u>240,000</u>             | <u>350</u> |