

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

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
30 JUNE 1997**



**Company Number: 2446167**

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

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 1997**

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Company registration number:

2446167

Registered office:

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

Directors:

J A Tofield  
C Rowley  
R Harcourt  
B P Read  
D Errington  
S Hedger

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 1997**

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

## REPORT OF THE DIRECTORS

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The directors present their report together with the financial statements for the year ended 30 June 1997.

### 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 £183,221. The directors recommend a final dividend absorbing £96,040 leaving £87,181 retained.

### Review of the business

The company has seen an improved performance, helped by a better housing and commercial market, and continuing control on costs.

### Directors

The present membership of the Board is set out below. All served throughout the year except where indicated.

The following directors resigned from the Board on 30 June 1997:

C L Heighway  
D N Huck  
R D N Craven  
P Talbot  
N Price  
P Atfield

P M de G Ratcliff resigned from the Board on 12 June 1997.

The interests of the directors in the shares of the company at 1 July 1996 (or the date of their appointment to the Board if later) and at 30 June 1997, were as follows:

	The Company Ordinary Shares	
	1997	1996
J A Tofield	32,028	33,361
C Rowley	-	-
R Harcourt	28,610	29,943
B P Read	29,630	29,630
D Errington	17,495	18,829
S Hedger (Appointed 12 June 1997)	-	-

During the year the company purchased 36,001 ordinary shares of £1 each of the issued share capital of Goadsby & Harding (Holdings) Limited, for a total consideration of £234,007. This represents 13.4% of the called up share capital of the company.

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

**REPORT OF THE DIRECTORS**

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The directors consider that the purchase of shares was in the best interest of the company, in order that the shares of an outgoing director could be dealt with in an expeditious manner.

**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 £950 (1996: £598).

**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

11 September 1997

## **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 1997 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

11 September 1997

A handwritten signature in dark ink, appearing to read 'Grant Thornton', is written over a horizontal line. The signature is stylized and cursive.

# 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 1997. 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 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**

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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 1997**

	Note	1997 £	1997 £	1996 £	1996 £
<b>Turnover</b>	1		5,627,070		4,486,931
Other operating income	1		<u>79,741</u>		<u>76,423</u>
			5,706,811		4,563,354
Staff costs	3	3,339,393		2,542,268	
Depreciation	-	226,767		181,028	
Other operating charges		<u>1,695,393</u>		<u>1,550,182</u>	
			5,261,553		4,273,478
<b>Trading profit before amortisation of goodwill</b>			445,258		289,876
Amortisation of goodwill	7		<u>66,239</u>		<u>66,239</u>
<b>Operating profit</b>			379,019		223,637
Net interest	2		<u>(44,970)</u>		<u>(68,159)</u>
<b>Profit on ordinary activities before taxation</b>	1		334,049		155,478
Tax on profit on ordinary activities	4		<u>150,828</u>		<u>79,364</u>
<b>Profit on ordinary activities after taxation</b>	5		183,221		76,114
Dividends	6		<u>96,040</u>		<u>50,000</u>
<b>Transfer to reserves</b>	15		<u>87,181</u>		<u>26,114</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 1997**

	Note	1997 £	1997 £	1996 £	1996 £
<b>Fixed assets</b>					
Intangible assets	7		841,206		907,445
Tangible assets	8		1,282,025		1,195,024
			<u>2,123,231</u>		<u>2,102,469</u>
<b>Current assets</b>					
Debtors	10	907,809		838,713	
Cash at bank and in hand		<u>759,356</u>		<u>347,011</u>	
		1,667,165		1,185,724	
Creditors: amounts falling due within one year	11	<u>1,831,764</u>		<u>1,137,408</u>	
Net current (liabilities)/assets			(164,599)		48,316
Total assets less current liabilities			<u>1,958,632</u>		<u>2,150,785</u>
Creditors: amounts falling due after more than one year	12		<u>1,065,994</u>		<u>1,111,321</u>
			<u>892,638</u>		<u>1,039,464</u>
<b>Capital and reserves</b>					
Called up share capital	14		232,591		268,592
Share premium account	15		323,563		323,563
Capital redemption reserve	15		36,001		-
Profit and loss account	15		<u>300,483</u>		<u>447,309</u>
Shareholders' funds	16		<u>892,638</u>		<u>1,039,464</u>

The financial statements were approved by the Board of Directors on 11 September 1997.

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 1997

	Note	1997 £	1997 £	1996 £	1996 £
<b>Fixed assets</b>					
Tangible assets	8		1		1
Investments	9		3,721,569		3,711,669
			<u>3,721,570</u>		<u>3,711,670</u>
<b>Current assets</b>					
Debtors	10	25,062		12,821	
Cash at bank and in hand		<u>48,957</u>		<u>113</u>	
		74,019		12,934	
<b>Creditors: amounts falling due within one year</b>	11	<u>247,888</u>		<u>319,077</u>	
<b>Net current liabilities</b>			<u>(173,869)</u>		<u>(306,143)</u>
<b>Total assets less current liabilities</b>			<u>3,547,701</u>		<u>3,405,527</u>
<b>Creditors: amounts falling due after more than one year</b>	12		<u>2,210,600</u>		<u>2,269,965</u>
			<u>1,337,101</u>		<u>1,135,562</u>
<b>Capital and reserves</b>					
Called up share capital	14		232,591		268,592
Share premium account	15		323,563		323,563
Capital redemption reserve			36,001		-
Profit and loss account	15		<u>744,946</u>		<u>543,407</u>
<b>Shareholders' funds</b>	16		<u>1,337,101</u>		<u>1,135,562</u>

The financial statements were approved by the Board of Directors on 11 September 1997.

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 1997**

	Note	1997 £	1997 £	1996 £	1996 £
<b>Net cash inflow from operating activities</b>			1,117,459		560,395
<b>Returns on investment and servicing of finance</b>					
Interest received		44,320		30,641	
Interest paid		(79,092)		(89,620)	
Finance lease interest paid		<u>(5,757)</u>		<u>(1,798)</u>	
			(40,529)		(60,777)
Taxation			(96,790)		(31,424)
<b>Capital expenditure</b>					
Purchase of tangible fixed assets		(126,205)		(58,524)	
Sale of tangible fixed assets		<u>10,880</u>		<u>10,475</u>	
<b>Net cash (outflow) from capital expenditure</b>			(115,325)		(48,049)
<b>Equity dividends paid</b>			(50,000)		(50,000)
<b>Financing and investment</b>					
Repayment of borrowing		(61,945)		(10,461)	
Purchase of own shares		(234,007)		-	
Capital element of finance lease rentals		<u>(106,707)</u>		<u>(76,450)</u>	
<b>Net cash outflow from financing</b>	17		(402,659)		(86,911)
<b>Increase in cash</b>	18		<u>412,156</u>		<u>283,234</u>
<b>Operating profit reconciliation</b>					
Operating profit			379,019		223,637
Depreciation and amortisation of goodwill			289,413		248,979
Loss/(profit) on sale of fixed assets			3,592		(1,712)
(Increase) in debtors			(52,026)		(168,927)
Increase in creditors			<u>497,461</u>		<u>258,418</u>
<b>Net cash inflow from operating activities</b>			<u>1,117,459</u>		<u>560,395</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 1997**

**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:

	1997 £	1996 £
Auditors' remuneration	16,500	16,000
Depreciation of tangible fixed assets	223,175	182,740
Loss/(profit) on disposal of tangible fixed assets	3,592	(1,712)
Operating lease rentals	<u>231,641</u>	<u>258,028</u>
Other operating income includes:		
Rents receivable (net)	<u>79,741</u>	<u>76,423</u>

**2 NET INTEREST**

	1997 £	1996 £
On bank loans and overdrafts	79,888	90,386
Finance charges in respect of finance leases	<u>5,757</u>	<u>1,798</u>
	85,645	92,184
Other interest receivable and similar income	<u>(40,675)</u>	<u>(24,025)</u>
	<u>44,970</u>	<u>68,159</u>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 1997**

**3 DIRECTORS AND EMPLOYEES**

	1997 £	1996 £
Staff costs during the year were as follows:		
Wages and salaries	2,997,016	2,251,076
Social security costs	276,148	208,270
Other pension costs	66,229	82,922
	<u>3,339,393</u>	<u>2,542,268</u>

The average number of employees of the group during the year was 221 (1996: 190).

Remuneration in respect of directors was as follows:

	1997 £	1996 £
Management remuneration	1,011,345	634,928
Pension costs	48,672	63,901
	<u>1,060,017</u>	<u>698,829</u>

The emoluments of the highest paid director, excluding pension contributions, were as follows:

	1997 £	1996 £
The highest paid director	<u>129,328</u>	<u>85,325</u>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 1997**

**4 TAX ON PROFIT ON ORDINARY ACTIVITIES**

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

	1997 £	1996 £
Corporation tax at 31% (1996 25%)	150,828	85,293
Deferred tax (note 13)	-	(7,682)
	<u>150,828</u>	<u>77,611</u>
Adjustments for prior year:		
Corporation tax	-	984
Deferred tax (note 13)	-	769
	<u>150,828</u>	<u>79,364</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 profit of £435,546 (1996: £67,239 loss) which is dealt with in the financial statements of the company.

**6 DIVIDENDS**

	1997 £	1996 £
Ordinary shares - proposed final dividend of 41.29p per share (1996: 18.85p)	<u>96,040</u>	<u>50,000</u>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 1997**

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**7 INTANGIBLE FIXED ASSETS**

	Goodwill on consolidation £
The Group	
Cost	
At 1 July 1996 and at 30 June 1997	<u>1,324,749</u>
Amounts written off	
At 1 July 1996	417,304
Provided in the year	<u>66,239</u>
At 30 June 1997	<u>483,543</u>
Net book amount at 30 June 1997	<u>841,206</u>
Net book amount at 30 June 1996	<u>907,445</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 1997**

8

**TANGIBLE FIXED ASSETS**

The Group

	Total £	Motor vehicles £	Fixtures furniture and equipment £	Short leaseholds and leasehold improvements £	Long leaseholds £	Freehold properties £	Investment property £
<b>Cost</b>							
At 1 July 1996	2,515,171	739,430	901,052	149,609	2,019	322,479	400,582
Additions	333,120	227,786	105,334	-	-	-	-
	<u>2,848,291</u>	<u>967,216</u>	<u>1,006,386</u>	<u>149,609</u>	<u>2,019</u>	<u>322,479</u>	<u>400,582</u>
Disposals	(125,284)	(125,284)	-	-	-	-	-
At 30 June 1997	<u>2,723,007</u>	<u>841,932</u>	<u>1,006,386</u>	<u>149,609</u>	<u>2,019</u>	<u>322,479</u>	<u>400,582</u>
<b>Depreciation</b>							
At 1 July 1996	1,320,147	474,975	700,283	91,121	447	53,321	-
Provided in the year	223,175	117,338	89,833	9,516	40	6,448	-
	<u>1,543,322</u>	<u>592,313</u>	<u>790,116</u>	<u>100,637</u>	<u>487</u>	<u>59,769</u>	<u>-</u>
Eliminated on disposals	(102,340)	(102,340)	-	-	-	-	-
At 30 June 1997	<u>1,440,982</u>	<u>489,973</u>	<u>790,116</u>	<u>100,637</u>	<u>487</u>	<u>59,769</u>	<u>-</u>
<b>Net book amount at 30 June 1997</b>	<u>1,282,025</u>	<u>351,959</u>	<u>216,270</u>	<u>48,972</u>	<u>1,532</u>	<u>262,710</u>	<u>400,582</u>
<b>Net book amount at 30 June 1996</b>	<u>1,195,024</u>	<u>264,455</u>	<u>200,769</u>	<u>58,488</u>	<u>1,572</u>	<u>269,158</u>	<u>400,582</u>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 1997**

**8 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 1997.

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 1997	<u>41,826</u>	<u>189,276</u>
Net book amount at 30 June 1996	<u>27,943</u>	<u>85,512</u>
Depreciation provided in the year	<u>4,993</u>	<u>63,092</u>
The Company		
		<b>Fixtures furniture and equipment</b>
		<b>£</b>
Cost		
At 1 July 1996 and at 30 June 1997		<u>2,056</u>
Depreciation		
At 1 July 1996 and at 30 June 1997		<u>2,055</u>
Net book amount		
At 30 June 1997 and at 30 June 1996		<u>1</u>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 1997**

**9 FIXED ASSET INVESTMENTS**

The Company

	Shares in group undertakings £
Cost	
At 1 July 1996	3,711,669
Additions	9,900
At 30 June 1997	<u>3,721,569</u>

At 30 June 1997 the company had interests in the following group undertakings:

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

**10 DEBTORS**

	The Group 1997 £	The Group 1996 £	The Company 1997 £	The Company 1996 £
Amounts falling due within one year:				
Trade debtors	729,554	727,880	-	-
Other debtors	2,012	1,790	2	3
Prepayments and accrued income	151,183	96,225	-	-
	<u>882,749</u>	<u>825,895</u>	<u>2</u>	<u>3</u>
Amounts falling due after more than one year:				
Advance corporation tax	25,060	12,818	25,060	12,818
	<u>907,809</u>	<u>838,713</u>	<u>25,062</u>	<u>12,821</u>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 1997**

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

	The Group 1997 £	The Group 1996 £	The Company 1997 £	The Company 1996 £
Bank overdraft	189	-	-	-
Bank loan	33,610	27,154	33,610	27,154
Loan in respect of investment property	7,104	8,899	-	-
Trade creditors	288,154	312,920	-	-
Amount owed to subsidiary undertaking	-	-	82,959	218,178
Current corporation tax	127,563	72,793	-	-
Advance corporation tax	24,328	12,818	24,328	12,818
Social security and other taxes	360,175	204,337	-	-
Proposed dividends	97,314	51,274	97,314	51,274
Other creditors	14,226	8,356	-	-
Accruals	759,331	398,016	9,677	9,653
Amounts due under finance leases	119,770	40,841	-	-
	<u>1,831,764</u>	<u>1,137,408</u>	<u>247,888</u>	<u>319,077</u>

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

	The Group 1997 £	The Group 1996 £	The Company 1997 £	The Company 1996 £
Bank loan	760,600	819,965	760,600	819,965
Loan in respect of investment property	245,343	252,584	-	-
Loan from subsidiary undertaking	-	-	1,450,000	1,450,000
Amounts due under finance leases	60,051	38,772	-	-
	<u>1,065,994</u>	<u>1,111,321</u>	<u>2,210,600</u>	<u>2,269,965</u>

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

**NOTES TO THE FINANCIAL STATEMENTS  
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**12 CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR (CONTINUED)**

Borrowings are repayable as follows:

	The Group 1997 £	The Group 1996 £	The Company 1997 £	The Company 1996 £
Within one year				
Bank loans	40,714	36,053	33,610	27,154
Finance leases	119,770	40,841	-	-
After one and within two years				
Bank loans	46,143	37,934	38,452	29,191
Finance leases	60,051	38,772	-	-
After two and within five years				
Bank loans	161,908	131,741	134,816	101,376
After five years				
Bank loans (repayable by instalments)	797,892	902,874	587,332	689,398
Loan from group undertakings (repayable otherwise than by instalments)	-	-	1,450,000	1,450,000
	<u>1,226,478</u>	<u>1,188,215</u>	<u>2,244,210</u>	<u>2,297,119</u>

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

	The Group 1997 £	The Group 1996 £	The Company 1997 £	The Company 1996 £
Bank loans	<u>1,046,657</u>	<u>1,108,602</u>	<u>794,210</u>	<u>847,119</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. 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 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  
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**NOTES TO THE FINANCIAL STATEMENTS  
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**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 1997 £	The Group 1996 £	The Company 1997 £	The Company 1996 £
Accelerated capital allowances	-	-	-	-
Other timing differences	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 1 July 1996	-	6,913	-	-
Transfer to profit and loss account	-	(6,913)	-	-
At 30 June 1997	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Deferred tax has been provided in full.

**14 SHARE CAPITAL**

	1997 £	1996 £
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 232,591 (1996: 268,592) ordinary shares of £1 each	<u>232,591</u>	<u>268,592</u>

**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 1996	323,563	323,563	-	-	447,309	543,407
Result for the year	-	-	-	-	87,181	435,546
Purchase of shares	-	-	36,001	36,001	(234,007)	(234,007)
At 30 June 1997	<u>323,563</u>	<u>323,563</u>	<u>36,001</u>	<u>36,001</u>	<u>300,483</u>	<u>744,946</u>

The balance on the 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 1997**

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

	The Group 1997 £	The Group 1996 £
Profit for the financial year	183,221	76,114
Dividends	(96,040)	(50,000)
	<u>87,181</u>	<u>26,114</u>
Purchase of own shares	(234,007)	-
Net (decrease)/increase in shareholders' funds	<u>(146,826)</u>	<u>26,114</u>
Shareholders funds at 1 July 1996	1,039,464	1,013,350
Shareholders' funds at 30 June 1997	<u>892,638</u>	<u>1,039,464</u>

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

	1997 £	1996 £
Increase in cash in the year	412,156	283,234
Cash outflow from financing	61,945	10,461
Cash outflow from finance leases	106,707	76,450
Change in net debt resulting from cash flows	<u>580,808</u>	<u>370,145</u>
Inception of finance leases	(206,915)	(145,064)
Movement in net debt in the year	<u>373,893</u>	<u>225,081</u>
Net debt at 1 July 1996	(841,204)	(1,066,285)
Net debt at 30 June 1997	<u>(467,311)</u>	<u>(841,204)</u>

**18 ANALYSIS OF CHANGES IN NET DEBT**

	At 1 July 1996 £	Cash flow £	At 30 June 1997 £
Cash in hand and at bank	347,011	412,156	759,356
Debt	(1,108,602)	61,945	(1,046,846)
Finance leases	(79,613)	(100,208)	(179,821)
	<u>(841,204)</u>	<u>373,893</u>	<u>(467,311)</u>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 1997**

**19 CAPITAL COMMITMENTS**

	The Group 1997 £	The Group 1996 £	The Company 1997 £	The Company 1996 £
Authorised by the directors but not contracted for	<u>20,000</u>	<u>3,000</u>	<u>-</u>	<u>-</u>

**20 CONTINGENT LIABILITIES**

There were no contingent liabilities at 30 June 1997 or 30 June 1996.

**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 £3,728 (1996: £3,398) 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 (1996: £225,450) which are due within one year. The leases to which these amounts relate expire as follows:

	1997		1996	
	Land and buildings £	Other £	Land and buildings £	Other £
In one year or less	52,900	200	33,500	200
Between one and five years	44,500	-	26,900	-
In five years or more	127,850	-	164,850	-
	<u>225,250</u>	<u>200</u>	<u>225,250</u>	<u>200</u>