

Registered number. 2597969

ARUN ESTATE AGENCIES LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2012

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ARUN ESTATE AGENCIES LIMITED

COMPANY INFORMATION

Directors	P A Rooney (Chairman) B T Matthews M J Beer (resigned 25 April 2012) C A Coxon D J Lench
Company secretary	C A Coxon
Company number	2597969
Registered office	St Leonard's House North Street Horsham West Sussex RH12 1RJ
Auditors	Warrener Stewart Chartered Accountants Harwood House 43 Harwood Road London SW6 4QP

ARUN ESTATE AGENCIES LIMITED

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ARUN ESTATE AGENCIES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2012

The directors present their report and the financial statements for the year ended 30 September 2012

Directors' responsibilities statement

The directors are responsible for preparing the Directors' 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 Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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 keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activities

The principal activities of the group during the year were the arrangement of the sale of properties, the letting and management of properties, together with related financial services and chartered surveying. The group is also involved in the charter of private aeroplanes to individuals.

Fair review of the business

The group made a profit before taxation of £10,005,000 during the year compared to £6,105,000 in the year ended 30 September 2011.

As in prior years the above result is also after the continuing significant level of charitable donations, as set out below, and for the prior year a final provision for diminution in the value of the group's Cessna fleet.

If these costs are disregarded the group made a profit from operations of £11,691,000 (2011 - £8,601,000). This profit is an improvement on the prior year and remains an excellent result achieved in the continuing tough economic and market conditions. The estate agency business continues to perform in line with expectations, the increase in profitability being as a result of an increase in market share and therefore properties sold. Additionally the group has continued to address its cost base and operating structure.

ARUN ESTATE AGENCIES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2012

Results and dividends

The profit for the year, after taxation, amounted to £7,519,000 (2011 - £4,039,000)

During the year dividends of £250,000 (2011 - £250,000) were paid out to shareholders

Directors

The directors who served during the year were

P A Rooney (Chairman)
B T Matthews
M J Beer (resigned 25 April 2012)
C A Coxon
D J Lench

Political and charitable contributions

The group made charitable donations to UK charities of £1,685,752 (2011 £773,775) during the year. The main beneficiaries were

	£
The Kent Community Foundation	1,350,000
Sussex Community Foundation	325,000
The Haven House Foundation	4,256

Principal risks and uncertainties

The principal risk to the business is the health of the UK residential property market. Confidence in this market is affected by a number of factors principally the performance and stability of the world and the UK economies.

Specific matters such as the security and mobility of employment, the interest rates applied to mortgage lending and the willingness of financial institutions to provide mortgage finance affect the property market.

The principal risk to the aircraft business is the continued downturn in the global economy which could result in a reduction of charter income.

Development and performance of the business

The business has continued to adapt its structure and operations to cope with the difficult market and economic conditions without materially affecting the size of the branch network or the geographical spread of the group.

Position of the group at the year end

At the year end, the group had net assets of £28,075,000 (2011 £20,806,000)

ARUN ESTATE AGENCIES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2012

Future developments of the business

The group has continued to trade profitably since the year end. The directors are confident that the group has the structure in place to deal with the current market and any future changes in market conditions.

The directors are of the firm opinion that despite the challenging market conditions the group will produce another satisfactory result in the year to 30 September 2013.

Fixed assets

The changes in fixed assets during the year are summarised in notes 9 and 10 to the financial statements.

In the opinion of the directors, the carrying value of freehold land and buildings at 30 September 2012 was not materially different to its open market value.

Employee involvement

Efforts are made to consult and inform employees on matters which concern them with emphasis on the continuing growth and development of the company, with communication being achieved principally through the internal intranet system and through the regional and branch management structure.

It is the group's policy to support the employment of disabled persons wherever possible, both in recruitment and by the retention of employees who have become disabled whilst in the employment of the group.

Provision of information to auditors

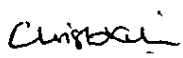
Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company and the group's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company and the group's auditors in connection with preparing their report and to establish that the company and the group's auditors are aware of that information.

Auditors

Under section 487(2) of the Companies Act 2006, Warrener Stewart will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board on 18 December 2012 and signed on its behalf


C A Coxon
Director

ARUN ESTATE AGENCIES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ARUN ESTATE AGENCIES LIMITED

We have audited the consolidated financial statements of Arun Estate Agencies Limited for the year ended 30 September 2012, set out on pages 6 to 27. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 Auditors' 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 auditors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the consolidated financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the consolidated financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the consolidated financial statements

An audit involves obtaining evidence about the amounts and disclosures in the consolidated financial statements sufficient to give reasonable assurance that the consolidated financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the consolidated financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited consolidated financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on consolidated financial statements

In our opinion the consolidated financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 30 September 2012 and of the group's profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the consolidated financial statements are prepared is consistent with the consolidated financial statements.

ARUN ESTATE AGENCIES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ARUN ESTATE AGENCIES LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company consolidated financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Colin Edney (Senior Statutory Auditor)

for and on behalf of
Warrener Stewart

Chartered Accountants
Statutory Auditors

Harwood House
43 Harwood Road
London
SW6 4QP

18 December 2012

ARUN ESTATE AGENCIES LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 2012

	Note	2012 £000	2011 £000
Turnover	1,2	55,876	50,590
Administrative expenses		<u>(45,891)</u>	<u>(44,451)</u>
Operating profit	3	9,985	6,139
Interest receivable and similar income		148	93
Interest payable and similar charges	7	<u>(128)</u>	<u>(127)</u>
Profit on ordinary activities before taxation		10,005	6,105
Tax on profit on ordinary activities	8	<u>(2,486)</u>	<u>(2,066)</u>
Profit for the financial year	20	<u><u>7,519</u></u>	<u><u>4,039</u></u>

All amounts relate to continuing operations

The notes on pages 11 to 27 form part of these financial statements

ARUN ESTATE AGENCIES LIMITED

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 30 SEPTEMBER 2012

	Note	2012 £000	2011 £000
Profit for the financial year		7,519	4,039
Sale of revalued property	10	-	(8)
Total recognised gains and losses relating to the year		7,519	4,031

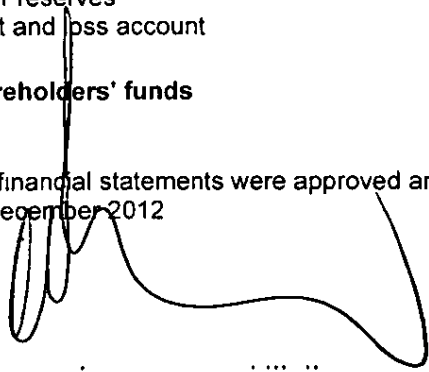
The notes on pages 11 to 27 form part of these financial statements

ARUN ESTATE AGENCIES LIMITED
REGISTERED NUMBER: 2597969

CONSOLIDATED BALANCE SHEET
AS AT 30 SEPTEMBER 2012

	Note	£000	2012 £000	£000	2011 £000
Fixed assets					
Intangible assets	9		-		-
Tangible assets	10		19,895		21,725
			19,895		21,725
Current assets					
Stocks	13	295		295	
Debtors	14	10,074		7,470	
Cash at bank		10,465		5,965	
		20,834		13,730	
Creditors amounts falling due within one year	15	(7,559)		(9,227)	
Net current assets			13,275		4,503
Total assets less current liabilities			33,170		26,228
Creditors amounts falling due after more than one year	16		(4,954)		(5,117)
Provisions for liabilities					
Other provisions	18		(141)		(305)
Net assets			28,075		20,806
Capital and reserves					
Called up share capital	19		1		1
Revaluation reserve	20		994		994
Capital redemption reserve	20		8		8
Other reserves	20		324		324
Profit and loss account	20		26,748		19,479
Shareholders' funds	21		28,075		20,806

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 18 December 2012


P A Rooney (Chairman)
 Director

The notes on pages 11 to 27 form part of these financial statements

ARUN ESTATE AGENCIES LIMITED
REGISTERED NUMBER. 2597969

COMPANY BALANCE SHEET
AS AT 30 SEPTEMBER 2012

	Note	£000	2012 £000	£000	2011 £000
Fixed assets					
Tangible assets	10		3,468		3,835
Investments	11		501		501
			<u>3,969</u>		<u>4,336</u>
Current assets					
Debtors	14	20,398		16,100	
Cash at bank		9,043		5,827	
		<u>29,441</u>		<u>21,927</u>	
Creditors. amounts falling due within one year	15	(7,592)		(7,026)	
Net current assets			<u>21,849</u>		<u>14,901</u>
Total assets less current liabilities			<u>25,818</u>		<u>19,237</u>
Provisions for liabilities					
Other provisions	18		(141)		(305)
Net assets			<u>25,677</u>		<u>18,932</u>
Capital and Reserves					
Called up share capital	19		1		1
Revaluation reserve	20		617		617
Capital redemption reserve	20		8		8
Profit and loss account	20		25,051		18,306
Shareholders' funds	21		<u>25,677</u>		<u>18,932</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 18 December 2012

... ..
P A Rooney (Chairman)
 Director

The notes on pages 11 to 27 form part of these financial statements

ARUN ESTATE AGENCIES LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2012

	Note	2012 £000	2011 £000
Net cash flow from operating activities	23	9,293	9,084
Returns on investments and servicing of finance	24	20	(34)
Taxation	24	(2,454)	(1,170)
Capital expenditure and financial investment	24	(139)	4,368
Equity dividends paid	22	(250)	(250)
Cash inflow before financing		6,470	11,998
Financing	24	(1,970)	(12,312)
Increase/(Decrease) in cash in the year		4,500	(314)

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT FOR THE YEAR ENDED 30 SEPTEMBER 2012

		2012 £000	2011 £000
Increase/(Decrease) in cash in the year		4,500	(314)
Cash outflow/(inflow) from decrease/(increase) in debt and lease financing	24	1,970	12,312
Change in net debt resulting from cash flows		6,470	11,998
Exchange gain/(loss) on long term loans		163	159
Movement in net debt in the year	25	6,633	12,157
Net debt at 1 October 2011		(1,140)	(13,297)
Net funds/(debt) at 30 September 2012	25	5,493	(1,140)

The notes on pages 11 to 27 form part of these financial statements

ARUN ESTATE AGENCIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2012

1. Accounting Policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of freehold property and in accordance with applicable accounting standards

1.2 Basis of consolidation

The financial statements consolidate the accounts of Arun Estate Agencies Limited and all of its subsidiary undertakings ('subsidiaries') as at 30 September 2012 using the principles of acquisition accounting

The company has taken advantage of the exemption contained within 408 of the Companies Act 2006 not to present its own Profit and Loss Account

The profit for the year dealt with in the accounts of the company was £6,995,000 (2011 - £280,000 loss)

1.3 Turnover

Turnover comprises revenue recognised by the company in respect of services supplied during the year, exclusive of Value Added Tax

Turnover from estate agency represents commissions earned in respect of all transactions exchanged during the year

Turnover from the letting and management of properties represents management fees charged during the year

Commissions received on life assurance products represents commissions earned, net of amounts refunded on cancellation of agreements or policies lapsed during the year. Provision is made for future refunds or lapses at the end of each year

Turnover from the sale of other financial services products is recognised on a received basis

Turnover from professional services represents invoiced sales less credits

Turnover from the air charter business represents amounts derived from the provision of goods and services to third party customers and is stated net of value added tax. The full contract value is recognised as turnover and is recognised only after the contract has been fulfilled

1.4 Intangible fixed assets and amortisation

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the Profit and Loss Account over its estimated economic life

The carrying value of Goodwill is reviewed at the end of each reporting period and an impairment loss is recognised if the carrying value of the asset exceeds its estimated recoverable amount. Impairment charges are recognised in the profit and loss account

ARUN ESTATE AGENCIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2012

1. Accounting Policies (continued)

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Motor Vehicles	-	25% on cost
Fixtures & Fittings	-	20% to 33 33% on cost
Aircraft	-	over 10 years
Helicopter	-	over 5 years

Short leasehold properties are amortised over the shorter of the remaining life of the lease, or useful economic life of the leasehold property

Given the lives of the group's freehold properties are so long and that they are maintained to such a high standard, it is of the opinion of the directors that the residual values are sufficiently high to make any depreciation charge immaterial

The useful economic life of freehold properties is reviewed at the end of each reporting period and revised if expectations are significantly different from previous estimates

1.6 Revaluation of tangible fixed assets

Individual freehold properties are carried at current year value at the balance sheet date. A full valuation is obtained from a qualified valuer for each property every five years, with an interim valuation three years after the previous full valuation, and in any year where it is likely that there has been a material change in value

Revaluation gains and losses are recognised in the statement of total recognised gains and losses unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the losses are recognised in the Profit and Loss Account

1.7 Investments

Investments in subsidiaries are valued at cost less provision for impairment

1.8 Stocks

Development stock is valued at the lower of cost and net realisable value after making due allowance for any foreseeable under recoveries and includes all attributable costs incurred in the development of ongoing property projects less amounts attributable to project sales

ARUN ESTATE AGENCIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2012

1. Accounting Policies (continued)

1.9 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets in the financial statements

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

1.10 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction

Exchange gains and losses are recognised in the Profit and Loss Account

1.11 Pensions

The group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the group to the fund in respect of the year. The funds of the scheme are administered by trustees and are separate from the group. All payments are charged to the profit and loss account as and when they arise

1.12 Onerous contracts

In accordance with FRS 12, where the group is subject to commitments where the cost of these commitments exceeds the income generated from these contracts, provision is made for present value of these onerous contracts. These provisions (which relate to vacant premises) are included within provisions for liabilities and charges

ARUN ESTATE AGENCIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2012

2 Turnover

An analysis of turnover by class of business is as follows

	2012 £000	2011 £000
Estate agency and related services	54,154	47,905
Surveying	1,433	1,404
Air Charter	206	1,231
Other activities	83	50
	<u>55,876</u>	<u>50,590</u>

All turnover arose within the United Kingdom

3 Operating profit

The operating profit is stated after charging/(crediting)

	2012 £000	2011 £000
Amortisation - intangible fixed assets	-	180
Depreciation of tangible fixed assets		
- owned by the group	1,991	2,096
Difference on foreign exchange	(146)	(27)
Profit on sale of fixed assets	(21)	(254)
Staff costs	29,118	26,936
Rental of land and buildings	2,345	2,368
Impairment in carrying value of intangible fixed asset	-	1,400
Other operating charges	12,604	11,752
	<u>12,604</u>	<u>11,752</u>

4 Auditors' remuneration

	2012 £000	2011 £000
Fees payable to the group's auditor for the audit of the annual accounts	43	38
Fees payable to the group's auditor and in respect of Services relating to taxation	28	35
	<u>28</u>	<u>35</u>

ARUN ESTATE AGENCIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2012

5 Staff costs

Staff costs, including directors' remuneration, were as follows

	2012 £000	2011 £000
Wages and salaries	25,550	23,387
Social security costs	2,817	2,531
Other pension costs	751	1,018
	<u>29,118</u>	<u>26,936</u>

The average monthly number of employees, including the directors, during the year was as follows

	2012 No.	2011 No
Operations including branch staff	814	765
Administration and management	58	53
	<u>872</u>	<u>818</u>

6 Directors' remuneration

	2012 £000	2011 £000
Emoluments	<u>745</u>	<u>1,044</u>
Company pension contributions to defined contribution pension schemes	<u>285</u>	<u>463</u>

During the year retirement benefits were accruing to 5 directors (2011 - 5) in respect of defined contribution pension schemes

The highest paid director received remuneration of £317,000 (2011 - £587,000)

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £90,000 (2011 - £175,000)

7. Interest payable

	2012 £000	2011 £000
On bank loans	<u>128</u>	<u>127</u>

ARUN ESTATE AGENCIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2012

8 Taxation

	2012 £000	2011 £000
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	2,372	1,807
Deferred tax (see note 17)		
Origination and reversal of timing differences	114	259
Tax on profit on ordinary activities	2,486	2,066

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2011 - the same as) the standard rate of corporation tax in the UK of 25% (2011 - 27%) as set out below

	2012 £000	2011 £000
Profit on ordinary activities before tax	10,005	6,105
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 25% (2011 - 27%)	2,501	1,648
Effects of		
Provision for diminution in value of fixed assets	-	87
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	22	80
Capital allowances for year in excess of depreciation	(32)	(26)
Current year over provision	26	-
Other timing differences leading to an increase (decrease) in taxation	(142)	79
Non-taxable income	(2)	-
Marginal relief	(1)	(3)
Profit on disposal of fixed assets	-	(58)
Current tax charge for the year (see note above)	2,372	1,807

ARUN ESTATE AGENCIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2012

9 Intangible fixed assets

	Goodwill £000
Group	
Cost	
At 1 October 2011 and 30 September 2012	<u>1,789</u>
Amortisation	
At 1 October 2011 and 30 September 2012	<u>1,789</u>
Net book value	
At 30 September 2012	<u>-</u>
At 30 September 2011	<u>-</u>

The goodwill arose on the acquisition of Rooney Air Limited. In the view of the directors, the asset is fully impaired and in 2011 the carrying value was reduced to £NIL.

ARUN ESTATE AGENCIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2012

10. Tangible fixed assets

Group	Freehold and Leasehold property £000	Motor Vehicles £000	Fixtures & Fittings £000	Aircraft £000	Total £000
Cost or valuation					
At 1 October 2011	6,324	4,143	5,359	14,547	30,373
Additions	68	1,343	263	131	1,805
Disposals	-	(722)	(29)	(1,821)	(2,572)
Fully depreciated assets	-	-	(33)	-	(33)
At 30 September 2012	6,392	4,764	5,560	12,857	29,573
Depreciation					
At 1 October 2011	992	2,202	4,040	1,414	8,648
Charge for the year	208	470	613	700	1,991
Released on disposals	-	(572)	(6)	(350)	(928)
Fully depreciated assets	-	-	(33)	-	(33)
At 30 September 2012	1,200	2,100	4,614	1,764	9,678
Net book value					
At 30 September 2012	5,192	2,664	946	11,093	19,895
At 30 September 2011	5,332	1,941	1,319	13,133	21,725

The historical cost of freehold properties at the year end was £4,294,775 (2011 £4,294,775). The properties were revalued on 30 September 2009 by independent professional advisers, ML Surveyors LLP, on an open market existing use basis. In the year to 30 September 2012 the directors reviewed the value of the properties in their capacity as estate agents and valuers. They consider the current value of the properties to be reasonable.

In the opinion of the directors the market value of the properties is not materially different to the carrying value in the financial statements.

ARUN ESTATE AGENCIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2012

10 Tangible fixed assets (continued)

Company	Freehold property £000	Leasehold Property £000	Motor Vehicles £000	Fixtures & Fittings £000	Total £000
Cost or valuation					
At 1 October 2011	1,992	1,566	140	5,177	8,875
Additions	-	68	119	263	450
Disposals	-	-	(13)	(1)	(14)
Fully depreciated assets	-	-	-	(33)	(33)
At 30 September 2012	1,992	1,634	246	5,406	9,278
Depreciation					
At 1 October 2011	-	992	133	3,915	5,040
Charge for the year	-	208	5	603	816
On disposals	-	-	(13)	-	(13)
Fully depreciated assets	-	-	-	(33)	(33)
At 30 September 2012	-	1,200	125	4,485	5,810
Net book value					
At 30 September 2012	1,992	434	121	921	3,468
At 30 September 2011	1,992	574	7	1,262	3,835

The historical cost of freehold properties at the year end was £1,375,113 (2011 £1,375,113). The properties were revalued on 30 September 2009 by independent professional advisers, ML Surveyors LLP, on an open market existing use basis. In the year to 30 September 2012 the directors reviewed the value of the properties in their capacity as estate agents and valuers. They consider the current value of the properties to be reasonable.

In the opinion of the directors the market value of the properties is not materially different to the carrying value in the financial statements.

ARUN ESTATE AGENCIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2012

11. Fixed asset investments

Company	Investments in Subsidiary Companies £000
Cost or valuation	
At 1 October 2011 and 30 September 2012	501
Net book value	
At 30 September 2012	501
At 30 September 2011	501

The company owns 100% of the issued share capital of the companies detailed in note 12, all of which are incorporated in England. The investments in the subsidiaries are recorded in the financial statements at their cost of £501,015 (2011 £501,015). All of the subsidiary companies are included in the consolidated financial statements of Arun Estate Agencies Limited.

With the exception of Arun Developments Limited all subsidiary companies have year ends of 30 September 2012 and are included in the consolidated financial statements based on audited financial statements to that date.

Arun Developments Limited has a year end of 31 December. Its results are included in the consolidated financial statements based on audited financial statements to 31 December 2011 and audited management accounts for the nine months ended 30 September 2012.

12 Principal subsidiaries

Company name	Country	Percentage Shareholding	Description
Anderson & Associates Ltd	UK	100	Chartered Surveyors
Arun Leasing Company Ltd	UK	100	Leasing
Arun Property Investments Ltd	UK	100	Property investment
Arun Developments Ltd	UK	100	Property developments
Home in One Financial Services Ltd	UK	100	Financial services compliance
Rooney Air Ltd	UK	100	Air charter

ARUN ESTATE AGENCIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2012

13 Stocks

	<u>Group</u>		<u>Company</u>	
	2012 £000	2011 £000	2012 £000	2011 £000
Stock of development land and buildings for resale	295	295	-	-

14. Debtors

	<u>Group</u>		<u>Company</u>	
	2012 £000	2011 £000	2012 £000	2011 £000
Trade debtors	4,090	5,119	3,589	4,365
Amounts owed by group undertakings	-	-	11,260	10,139
Amounts owed by undertakings in which the company has a participating interest	3,212	-	3,212	-
Other debtors	903	763	859	381
Prepayments and accrued income	1,727	1,332	1,318	1,086
Deferred tax asset (see note 17)	142	256	160	129
	<u>10,074</u>	<u>7,470</u>	<u>20,398</u>	<u>16,100</u>

The amounts owed by subsidiary undertakings to the company include £7,832,000 (2011 £6,659,000) which is due after more than one year

15. Creditors' Amounts falling due within one year

	<u>Group</u>		<u>Company</u>	
	2012 £000	2011 £000	2012 £000	2011 £000
Other loans	18	1,988	-	-
Trade creditors	498	344	469	191
Amounts owed to group undertakings	-	-	843	698
Corporation tax	1,001	1,083	932	1,000
Social security and other taxes	2,598	2,578	2,498	2,455
Other creditors	420	381	137	142
Accruals and deferred income	3,024	2,853	2,713	2,540
	<u>7,559</u>	<u>9,227</u>	<u>7,592</u>	<u>7,026</u>

ARUN ESTATE AGENCIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2012

16. Creditors Amounts falling due after more than one year

	<u>Group</u>		<u>Company</u>	
	2012	2011	2012	2011
	£000	£000	£000	£000
Loans	4,954	5,117	-	-

Included within the above are amounts falling due as follows

	<u>Group</u>		<u>Company</u>	
	2012	2011	2012	2011
	£000	£000	£000	£000
Between two and five years				
Loans	4,954	5,117	-	-

The loan assisted in financing the purchase of an aircraft. The loan, which is repayable in full on 1st March 2015, is secured by way of a mortgage over this asset.

17 Deferred tax asset

	<u>Group</u>		<u>Company</u>	
	2012	2011	2012	2011
	£000	£000	£000	£000
At 1 October 2011	256	515	129	170
(Charge for)/released during the year	(114)	(259)	31	(41)
At 30 September 2012	142	256	160	129

The deferred tax asset is made up as follows

	<u>Group</u>		<u>Company</u>	
	2012	2011	2012	2011
	£000	£000	£000	£000
Accelerated capital allowances	142	256	160	129

ARUN ESTATE AGENCIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2012

18. Provisions

	Provision for onerous lease obligations £000
Group and Company	
At 1 October 2011	305
Amounts reversed	(164)
At 30 September 2012	<u>141</u>

19. Share capital

	2012 £000	2011 £000
Allotted, called up and fully paid		
1,052 Ordinary shares of £1 each	<u>1</u>	<u>1</u>

20. Reserves

	Capital redemption reserve £000	Revaluation reserve £000	Capital reserves £000	Profit and loss account £000
Group				
At 1 October 2011	8	994	324	19,479
Profit for the year	-	-	-	7,519
Dividends Equity capital	-	-	-	(250)
At 30 September 2012	<u>8</u>	<u>994</u>	<u>324</u>	<u>26,748</u>
Company				
At 1 October 2011	8	617		18,306
Profit for the year	-	-		6,995
Dividends Equity capital	-	-		(250)
At 30 September 2012	<u>8</u>	<u>617</u>		<u>25,051</u>

ARUN ESTATE AGENCIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2012

21 Reconciliation of movement in shareholders' funds

Group	2012 £000	2011 £000
Opening shareholders' funds	20,806	17,026
Profit for the year	7,519	4,038
Dividends (note 22)	(250)	(250)
Other recognised gains and losses during the year	-	(8)
Closing shareholders' funds	<u>28,075</u>	<u>20,806</u>

Company	2012 £000	2011 £000
Opening shareholders' funds	18,932	19,470
Profit/ (Loss) for the year	6,995	(280)
Dividends (note 22)	(250)	(250)
Other recognised gains and losses during the year	-	(8)
Closing shareholders' funds	<u>25,677</u>	<u>18,932</u>

22 Dividends

	2012 £000	2011 £000
Dividends paid on equity capital	<u>250</u>	<u>250</u>

ARUN ESTATE AGENCIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2012

23 Net cash flow from operating activities

	2012 £000	2011 £000
Operating profit	9,985	6,139
Amortisation of intangible fixed assets	-	180
Depreciation of tangible fixed assets	1,991	2,096
Impairments of fixed assets	-	323
Profit on disposal of tangible fixed assets	(21)	(254)
Decrease/(increase) in debtors	493	(1,514)
Increase in amounts owed by associates	(3,212)	-
Increase in creditors	384	898
Decrease in provisions	(164)	(25)
Exchange gain on long term loans	(163)	(159)
Impairment of goodwill	-	1,400
Net cash inflow from operating activities	9,293	9,084

24 Analysis of cash flows for headings netted in cash flow statement

	2012 £000	2011 £000
Returns on investments and servicing of finance		
Interest received	148	93
Interest paid	(128)	(127)
Net cash inflow/(outflow) from returns on investments and servicing of finance	20	(34)
	2012 £000	2011 £000
Taxation		
Corporation tax	(2,454)	(1,170)
	2012 £000	2011 £000
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(1,805)	(3,392)
Sale of tangible fixed assets	1,666	7,760
Net cash (outflow)/inflow from capital expenditure	(139)	4,368

ARUN ESTATE AGENCIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2012

24. Analysis of cash flows for headings netted in cash flow statement (continued)

	2012 £000	2011 £000
Financing		
Repayment of other loans	(1,970)	(12,312)

25. Analysis of changes in net debt

	1 October 2011 £000	Cash flow £000	Other non-cash changes £000	30 September 2012 £000
Cash at bank and in hand	5,965	4,500	-	10,465
Debt				
Debts due within one year	(1,988)	1,970	-	(18)
Debts falling due after more than one year	(5,117)	-	163	(4,954)
Net debt	(1,140)	6,470	163	5,493

26. Operating lease commitments

At 30 September 2012 the Group had annual commitments under non-cancellable operating leases as follows

	Land and buildings 2012 £000	2011 £000
Group		
Expiry date		
Within 1 year	350	666
Between 2 and 5 years	660	722
After more than 5 years	1,785	1,600

ARUN ESTATE AGENCIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2012

27 Related party transactions

Transactions with related parties

	2012 £000	2011 £000
Rent and associated charges payable to P A Rooney	874	841
Flights charged to P A Rooney at commercial value	56	82
Property purchased at market value by B T Matthews' self invested pension plan	-	215
	<u> </u>	<u> </u>

Amounts due from related parties

	2012 £000	2011 £000
Verdemar Finance	3,212	-
	<u> </u>	<u> </u>

Amounts owed to related parties

	2012 £000	2011 £000
P A Rooney	15	2,003
	<u> </u>	<u> </u>

P A Rooney is a director of the company and was the controlling shareholder of the company throughout the year. Verdemar Finance is a finance company wholly owned by P A Rooney.

