

Registered number: 2597969

**ARUN ESTATE AGENCIES LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2015**

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# ARUN ESTATE AGENCIES LIMITED

## COMPANY INFORMATION

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**Directors** P A Rooney (Chairman)  
B T Matthews  
C A Coxon  
D J Lench

**Company secretary** C A Coxon

**Registered number** 2597969

**Registered office** St Leonard's House  
North Street  
Horsham  
West Sussex  
RH12 1RJ

**Independent 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 2015

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The directors present their report and the financial statements for the year ended 30 September 2015.

### Directors

The directors who served during the year were:

P A Rooney (Chairman)  
B T Matthews  
C A Coxon  
D J Lench

### Directors' responsibilities statement

The directors are responsible for preparing the Group Strategic Report, 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.

### Results and dividends

The profit for the year, after taxation, amounted to £11,071,000 (2014 - profit £14,184,000).

During the year dividends of £NIL (2014 - £6,000,000) were declared to shareholders.

# ARUN ESTATE AGENCIES LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2015

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### Political and charitable donations

The group made charitable donations to UK charities of £954,550 (2014: £873,509) during the year. The main beneficiaries were:

	£
The Kent Community Foundation	900,000
Sussex Community Foundation	50,000
Haven House Foundation	3,075

The group made political donations of £18,000 to the Conservative Party.

### Position of the group at the year end

At the year end, the group had net assets of £47,772,000 (2014: £36,701,000)

### 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 the group will produce a satisfactory result in the year to 30 September 2016.

### Fixed assets

The changes in fixed assets during the year are summarised in notes 10 and 11 to the financial statements.

In the opinion of the directors, the carrying value of freehold land and buildings at 30 September 2015 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.

### Disclosure 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 relevant audit information and to establish that the company and the group's auditors are aware of that information.

# ARUN ESTATE AGENCIES LIMITED


## DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2015

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### Auditors

The auditors, Warrener Stewart, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

  
.....  
**C A Coxon**  
Director

Date: 21 December 2015

# ARUN ESTATE AGENCIES LIMITED

## GROUP STRATEGIC REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2015

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### 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 was also involved in the charter of private aeroplanes to individuals, an activity that was discontinued at the end of the financial year.

### Business review

The Group has produced a satisfactory result as projected in last year's strategic report. While the overall operating profit for the year of £13,531,000 is down on the record result of £17,799,000 in the previous year, the operating profit from continuing operations of £16,741,000 compares more favourably with the prior year figure of £18,519,000.

As in previous years the most significant contributor to this year's result has been the Estate Agency side of the business which produced an operating profit of £15,767,000 compared to £16,700,000 reported last year. This decrease in operating profit is due a number of factors including market uncertainty in the first half of the year, affecting all estate agency businesses. The turnover from continuing operations is in overall terms only slightly lower than that achieved in the previous year with a reduction in estate agency fees being made up for by increased financial services and residential lettings income. The costs of the company have remained in line with the previous year save for higher employment costs reflecting both the increased number of staff members employed by the company, to ensure that its high service standards are maintained, and the change in the composition of income referred to above.

The other group companies have continued to perform well. In particular the Chartered Surveying business has produced a profit of £319,000 – in excess of the previous highest profit achieved of £251,000 which was reported last year. The Group decided to dispose of the Airline Charter business during the year, which has incurred significant losses in the last few years.

The Group continues to make significant levels of charitable donations from its profits, as outlined in the directors report.

### Principal risks and uncertainties

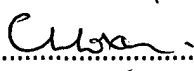
The principal risk to the business is the health of the UK residential property market. Confidence in the market is affected by a number of factors, principally the performance and stability of the UK and world economies.

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 also affects the property market.

### Financial key performance indicators

Management monitors the performance of the business by reference to internal forecasts, cashflows and industry statistics. These indicators are considered sufficient to provide an overview of business performance relative to expectations and market trends.

This report was approved by the board and signed on its behalf.

  
.....  
**C A Coxon**  
**Director**

Date: 21 December 2015

# **ARUN ESTATE AGENCIES LIMITED**

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

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We have audited the consolidated financial statements of Arun Estate Agencies Limited for the year ended 30 September 2015, set out on pages 7 to 29. 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 Group Strategic Report and the Directors' Report to identify material inconsistencies with the audited consolidated financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2014 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 Group Strategic Report and 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

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### 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 and Statutory Auditors

Harwood House  
43 Harwood Road  
London  
SW6 4QP

21 December 2015

# ARUN ESTATE AGENCIES LIMITED

## CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 2015

	Note	2015 £000	2015 £000	2014 £000
<b>Turnover</b>	1,2			
Continuing operations			69,096	69,085
Discontinued operations			442	570
			<u>69,538</u>	<u>69,655</u>
Administrative expenses			(56,007)	(51,856)
<b>Operating profit</b>	3,4			
Continuing operations		16,741		18,519
Discontinued operation		(3,210)		(720)
		<u>13,531</u>		<u>17,799</u>
Interest receivable and similar income			1,405	875
Interest payable and similar charges	8		(92)	(126)
<b>Profit on ordinary activities before taxation</b>			14,844	18,548
Tax on profit on ordinary activities	9		(3,773)	(4,364)
<b>Profit for the financial year</b>	20		<u>11,071</u>	<u>14,184</u>

The notes on pages 12 to 29 form part of these financial statements.

## ARUN ESTATE AGENCIES LIMITED

### CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 30 SEPTEMBER 2015

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	2015 £000	2014 £000
<b>Profit for the financial year</b>	11,071	14,184
Unrealised surplus on revaluation of tangible fixed assets	-	1,228
Sale of revalued property	-	(143)
<b>Total recognised gains and losses relating to the year</b>	<u>11,071</u>	<u>15,269</u>

The notes on pages 12 to 29 form part of these financial statements.

**ARUN ESTATE AGENCIES LIMITED**  
**REGISTERED NUMBER: 2597969**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 30 SEPTEMBER 2015**

			2015	2014
	Note	£000	£000	£000
<b>Fixed assets</b>				
Tangible assets	10		9,455	13,740
<b>Current assets</b>				
Stocks	13	295		565
Debtors	14	41,529		26,698
Investments	15	228		228
Cash at bank		6,692		10,537
		<u>48,744</u>		<u>38,028</u>
<b>Creditors:</b> amounts falling due within one year	16	(10,297)		(14,900)
		<u></u>		<u></u>
<b>Net current assets</b>			38,447	23,128
			<u></u>	<u></u>
<b>Total assets less current liabilities</b>			47,902	36,868
			<u></u>	<u></u>
<b>Provisions for liabilities</b>				
Deferred Tax	17	(53)		(32)
Other provisions	18	(77)		(135)
		<u></u>		<u></u>
			(130)	(167)
			<u></u>	<u></u>
<b>Net assets</b>			47,772	36,701
			<u></u>	<u></u>
<b>Capital and reserves</b>				
Called up share capital	19		1	1
Revaluation reserve	20		1,767	1,767
Capital redemption	20		8	8
Other reserves	20		324	324
Profit and loss account	20		45,672	34,601
			<u>47,772</u>	<u>36,701</u>
<b>Shareholders funds</b>	21		<u>47,772</u>	<u>36,701</u>

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

.....  
**P A Rooney**  
 Director

Date: 21 December 2015

The notes on pages 12 to 29 form part of these financial statements.

**ARUN ESTATE AGENCIES LIMITED**  
**REGISTERED NUMBER: 2597969**

**COMPANY BALANCE SHEET**  
**AS AT 30 SEPTEMBER 2015**

			2015	2014
	Note	£000	£000	£000
<b>Fixed assets</b>				
Tangible assets	10		3,561	3,266
Investments	11		501	501
			<u>4,062</u>	<u>3,767</u>
<b>Current assets</b>				
Debtors	14	42,762		29,180
Investments	15	228		228
Cash at bank		6,682		9,768
		<u>49,672</u>		<u>39,176</u>
<b>Creditors:</b> amounts falling due within one year	16	<u>(11,098)</u>		<u>(10,410)</u>
<b>Net current assets</b>			<u>38,574</u>	<u>28,766</u>
<b>Total assets less current liabilities</b>			<u>42,636</u>	<u>32,533</u>
<b>Provisions for liabilities</b>				
Other provisions	18		(77)	(135)
<b>Net assets</b>			<u>42,559</u>	<u>32,398</u>
<b>Capital and reserves</b>				
Called up share capital	19		1	1
Revaluation reserve	20		701	701
Capital redemption reserve	20		8	8
Profit and loss account	20		41,849	31,688
<b>Shareholders' funds</b>	21		<u>42,559</u>	<u>32,398</u>

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

.....  
**P A Rooney**  
 Director

Date: 21 December 2015

The notes on pages 12 to 29 form part of these financial statements.

# ARUN ESTATE AGENCIES LIMITED

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2015

	Note	2015 £000	2014 £000
Net cash flow from operating activities	23	1,673	11,273
Returns on investments and servicing of finance	24	1,313	749
Taxation	24	(3,918)	(3,449)
Capital expenditure and financial investment	24	2,419	(741)
Equity dividends paid		(1,000)	(5,000)
<b>Cash inflow before management of liquid resources and financing</b>		<b>487</b>	<b>2,832</b>
Management of liquid resources	25	395	(228)
Financing	25	(4,727)	(244)
<b>(Decrease)/increase in cash in the year</b>		<b>(3,845)</b>	<b>2,360</b>

## RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS FOR THE YEAR ENDED 30 SEPTEMBER 2015

		2015 £000	2014 £000
(Decrease)/increase in cash in the year		(3,845)	2,360
Cash (inflow)/outflow from movement in liquid resources	25	(395)	228
Profit on sale of current asset investments		395	-
Cash outflow from decrease in debt and lease financing	25	4,727	244
<b>Change in net funds resulting from cash flows</b>		<b>882</b>	<b>2,832</b>
<b>Movement in net funds in the year</b>	26	<b>882</b>	<b>2,832</b>
Net funds at 1 October 2014		6,038	3,206
<b>Net funds at 30 September 2015</b>	26	<b>6,920</b>	<b>6,038</b>

The notes on pages 12 to 29 form part of these financial statements.

# ARUN ESTATE AGENCIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2015

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### 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 2015 using the principles of acquisition accounting.

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

The profit and loss account for the year dealt with in the accounts of the company was a profit of £10,161,000 (2014 - £13,473,000).

#### 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.

# ARUN ESTATE AGENCIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2015

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### 1. Accounting Policies (continued)

#### 1.4 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 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.

#### 1.5 Revaluation of tangible fixed assets

Individual freehold properties and long leaseholds are carried at their current 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.

#### 1.6 Investments

In subsidiary undertakings:

Investments in subsidiaries are valued at cost less provision for impairment.

Current asset investments:

Current asset investments are included in the financial statements at the lower of cost and net realisable value.

#### 1.7 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.

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.



# ARUN ESTATE AGENCIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2015

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### 1. Accounting Policies (continued)

#### 1.8 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.

#### 1.9 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.

#### 1.10 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.

#### 1.11 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 2015

### 2. Turnover

An analysis of turnover by class of business is as follows:

	2015 £000	2014 £000
Estate agency and related services	66,709	66,655
Surveying	2,008	2,065
Air Charter	442	570
Other activities	379	365
	<u>69,538</u>	<u>69,655</u>

All turnover arose within the United Kingdom.

### 3. Analysis of operating profit

	2015		2014	
	Continuing £000	Discontinued £000	Continuing £000	Discontinued £000
Turnover	69,096	442	69,085	570
Administrative expense	(52,355)	(3,652)	(50,566)	(1,290)
Operating profit/(loss)	<u>16,741</u>	<u>(3,210)</u>	<u>18,519</u>	<u>(720)</u>

At 30 September 2015 the group disposed of its Air Charter subsidiary which has been treated as a discontinued operation.

### 4. Operating profit

The operating profit is stated after charging/(crediting):

	2015 £000	2014 £000
Depreciation of tangible fixed assets:		
- owned by the group	1,923	1,382
Difference on foreign exchange	294	(22)
Profit on sale of fixed assets	(57)	(133)
Staff costs	35,910	34,111
Profit on sale of current asset investments	(395)	-
Rental of land and buildings	2,592	2,404
Other operating charges	15,740	14,114
	<u>56,007</u>	<u>51,856</u>

# ARUN ESTATE AGENCIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2015

### 5. Auditors' remuneration

	2015 £000	2014 £000
Fees payable to the group's auditor for the annual accounts	41	40
Fees payable to the group's auditor and in respect of: Services relating to taxation	30	27
	<u>71</u>	<u>67</u>

### 6. Staff costs

Staff costs, including directors' remuneration, were as follows:

	2015 £000	2014 £000
Wages and salaries	31,446	30,070
Social security costs	3,436	3,184
Other pension costs	1,028	857
	<u>35,910</u>	<u>34,111</u>

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

	2015 No.	2014 No.
Operations including branch staff	1,026	998
Administration and management	77	72
	<u>1,103</u>	<u>1,070</u>

# ARUN ESTATE AGENCIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2015

### 7. Directors' remuneration

	2015 £000	2014 £000
Remuneration	2,028	1,849
Company pension contributions to defined contribution pension schemes	75	99
	<u>2,103</u>	<u>1,948</u>

During the year retirement benefits were accruing to two directors (2014 - three) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £951,000 (2014 - £830,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £NIL (2014 - £36,000).

### 8. Interest payable

	2015 £000	2014 £000
On bank loans	110	126
On other loans	(18)	-
	<u>92</u>	<u>126</u>

### 9. Taxation

	2015 £000	2014 £000
<b>Analysis of tax charge in the year</b>		
<b>Current tax</b> (see note below)		
UK corporation tax charge on profit for the year	3,752	4,557
Adjustments in respect of prior periods	-	(270)
<b>Total current tax</b>	<u>3,752</u>	<u>4,287</u>
<b>Deferred tax</b> (see note 17)		
Origination and reversal of timing differences	21	77
<b>Tax on profit on ordinary activities</b>	<u>3,773</u>	<u>4,364</u>

# ARUN ESTATE AGENCIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2015

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### 9. Taxation (continued)

#### Factors affecting tax charge for the year

The tax assessed for the year is higher than (2014 - higher than) the standard rate of corporation tax in the UK of 20.5% (2014 - 22%). The differences are explained below:

	2015 £000	2014 £000
Profit on ordinary activities before tax	<u>14,844</u>	<u>18,548</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.5% (2014 - 22%)	3,043	4,081
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	12	302
Capital allowances for year in excess of depreciation	(5)	(56)
Current year over provision	37	1
Other timing differences leading to an decrease in taxation	(11)	(11)
Write off of associated company loan	676	-
Other differences leading to an decrease in the tax charge	-	(30)
Current tax charge for the year (see note above)	<u>3,752</u>	<u>4,287</u>

# ARUN ESTATE AGENCIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2015

### 10. Tangible fixed assets

Group	Freehold and Leasehold property £000	Motor Vehicles £000	Fixtures & Fittings £000	Aircraft £000	Total £000
<b>Cost or valuation</b>					
At 1 October 2014	7,465	4,783	6,571	12,867	31,686
Additions	198	681	761	191	1,831
Disposals	-	(622)	(126)	(13,058)	(13,806)
At 30 September 2015	7,663	4,842	7,206	-	19,711
<b>Depreciation</b>					
At 1 October 2014	1,526	2,405	5,567	8,448	17,946
Charge for the year	161	690	485	587	1,923
Released on disposal	-	(452)	(126)	(9,035)	(9,613)
At 30 September 2015	1,687	2,643	5,926	-	10,256
<b>Net book value</b>					
At 30 September 2015	5,976	2,199	1,280	-	9,455
At 30 September 2014	5,939	2,378	1,004	4,419	13,740

The historical cost of freehold properties at the year end was £3,458,080 (2014: £3,458,080). The properties were revalued to open market value by a chartered surveyor as at 30 September 2014.

# ARUN ESTATE AGENCIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2015

### 10. Tangible fixed assets (continued)

Company	Freehold £000	Leasehold Property £000	Motor Vehicles £000	Fixtures & Fittings £000	Total £000
<b>Cost or valuation</b>					
At 1 October 2014	1,696	2,047	184	6,400	10,327
Additions	-	198	-	757	955
Disposals	-	-	-	(126)	(126)
At 30 September 2015	1,696	2,245	184	7,031	11,156
<b>Depreciation</b>					
At 1 October 2014	-	1,526	118	5,417	7,061
Charge for the year	-	161	25	474	660
On disposals	-	-	-	(126)	(126)
At 30 September 2015	-	1,687	143	5,765	7,595
<b>Net book value</b>					
At 30 September 2015	1,696	558	41	1,266	3,561
At 30 September 2014	1,696	521	66	983	3,266

The historical cost of freehold properties at the year end was £1,015,769 (2014: £1,015,769). The properties were revalued to open market value by a chartered surveyor as at 30 September 2014.

# ARUN ESTATE AGENCIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2015

### 11. Fixed asset investments

Company	Investments in Subsidiary Companies £000
Cost or valuation	
At 1 October 2014 and 30 September 2015	501
Net book value	
At 30 September 2015	501
At 30 September 2014	501

### 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

Rooney Air Limited was a subsidiary throughout the year, leaving the group on 30 September 2015.

### 13. Stocks

	Group		Company	
	2015 £000	2014 £000	2015 £000	2014 £000
Finished good and goods for resale	-	270	-	-
Stock of development land and buildings for resale	295	295	-	-
	<u>295</u>	<u>565</u>	<u>-</u>	<u>-</u>



# ARUN ESTATE AGENCIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2015

### 14. Debtors

	<u>Group</u>		<u>Company</u>	
	2015 £000	2014 £000	2015 £000	2014 £000
Trade debtors	4,906	5,725	4,596	5,150
Amounts owed by group undertakings	-	-	1,702	3,341
Amount due from related company	868	-	868	-
Amounts owed by undertakings in which the company has a participating interest	33,938	18,751	33,938	18,751
Other debtors	588	814	477	649
Prepayments and accrued income	1,229	1,408	1,161	1,181
Deferred tax asset (see note 17)	-	-	20	108
	<u>41,529</u>	<u>26,698</u>	<u>42,762</u>	<u>29,180</u>

The amounts owed by related undertakings include £868,000 (2014: subsidiary undertakings £641,000) which is due after more than one year.

The amounts due by undertakings in which the company has a participating interest include £23,075,000 (2014: £9,550,000) which is due after more than one year.

### 15. Current asset investments

	<b>Group &amp; Company £000</b>
At 1 October 2014	228
Additions	228
Disposals	(228)
<b>At 30 September 2015</b>	<u>228</u>

### Group and Company listed investments

The market value of the listed investments at 30 September 2015 was £271,000 (2014: £680,000).

# ARUN ESTATE AGENCIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2015

### 16. Creditors: Amounts falling due within one year

	<u>Group</u>		<u>Company</u>	
	2015 £000	2014 £000	2015 £000	2014 £000
Bank loans and overdrafts	-	4,727	-	-
Trade creditors	170	345	164	139
Amounts owed to group undertakings	-	-	1,502	1,306
Amounts owned to connected undertakings	847	-	847	-
Corporation tax	1,895	2,061	1,641	1,802
Other taxation and social security	3,718	3,206	3,534	3,023
Proposed dividend	-	1,000	-	1,000
Other creditors	853	831	816	727
Accruals and deferred income	2,814	2,730	2,594	2,413
	<u>10,297</u>	<u>14,900</u>	<u>11,098</u>	<u>10,410</u>

### 17. Deferred taxation

	<u>Group</u>		<u>Company</u>	
	2015 £000	2014 £000	2015 £000	2014 £000
At October 2014	(32)	45	108	160
Charged during the year (P&L)	(21)	(77)	(88)	(52)
At 30 September 2015	<u>(53)</u>	<u>(32)</u>	<u>20</u>	<u>108</u>

# ARUN ESTATE AGENCIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2015

### 17. Deferred taxation (continued)

The deferred taxation balance is made up as follows:

	<u>Group</u>		<u>Company</u>	
	2015 £000	2014 £000	2015 £000	2014 £000
Accelerated capital allowances	<u>(53)</u>	<u>(32)</u>	<u>20</u>	<u>108</u>

### Deferred tax asset not provided

	<u>Group</u>		<u>Company</u>	
	2015 £000	2014 £000	2015 £000	2014 £000
Timing differences on capital allowances	<u>-</u>	<u>1,123</u>	<u>-</u>	<u>-</u>

The timing differences arose in a company which has now left the group. The deferred tax asset arose on the write down of that company's aircraft fleet in 2013. In accordance with FRS19 no provision had been made for the potential deferred tax asset due to uncertainty over the period in which such asset might have been recovered.

### 18. Provisions

Group and Company	Provision for onerous lease obligations £000
At 1 October 2014	135
Amounts reversed	<u>(58)</u>
At 30 September 2015	<u>77</u>

### 19. Share capital

	2015 £000	2014 £000
Allotted, called up and fully paid 1,052 Ordinary shares of £1 each	<u>1</u>	<u>1</u>

# ARUN ESTATE AGENCIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2015

### 20. Reserves

Group	Revaluation reserve £000	Capital redemption reserve £000	Capital reserve £000	Profit and loss account £000
At 1 October 2014	1,767	8	324	34,601
Profit for the financial year	-	-	-	11,071
At 30 September 2015	<u>1,767</u>	<u>8</u>	<u>324</u>	<u>45,672</u>

Company	Revaluation reserve £000	Capital redemption reserve £000	Profit and loss account £000
At 1 October 2014	701	8	31,688
Profit for the financial year	-	-	10,161
At 30 September 2015	<u>701</u>	<u>8</u>	<u>41,849</u>

## ARUN ESTATE AGENCIES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2015

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#### 21. Reconciliation of movement in shareholders' funds

<b>Group</b>	<b>2015 £000</b>	<b>2014 £000</b>
Opening shareholders' funds	<b>36,701</b>	27,483
Profit for the year	<b>11,071</b>	14,184
Dividends (note 22)	-	(6,000)
Other recognised gains and losses during the year	-	1,034
Closing shareholders' funds	<b>47,772</b>	<b>36,701</b>

<b>Company</b>	<b>2015 £000</b>	<b>2014 £000</b>
Opening shareholders' funds	<b>32,398</b>	24,580
Profit for the year	<b>10,161</b>	13,473
Dividends (note 22)	-	(6,000)
Other recognised gains and losses during the year	-	345
Closing shareholders' funds	<b>42,559</b>	<b>32,398</b>

#### 22. Dividends

	<b>2015 £000</b>	<b>2014 £000</b>
Dividends paid on equity capital	-	6,000

# ARUN ESTATE AGENCIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2015

### 23. Net cash flow from operating activities

	2015 £000	2014 £000
Operating profit	13,531	17,799
Depreciation of tangible fixed assets	1,923	1,382
Profit on disposal of short term investments	(395)	-
Profit on disposal of tangible fixed assets	(57)	(96)
Decrease/(increase) in stocks	270	(54)
Decrease/(increase) in debtors	1,224	(759)
Increase in amounts owed by connected undertakings	(15,208)	(4,985)
Increase/(decrease) in creditors	443	(1,779)
Decrease in provisions	(58)	(3)
Revaluation surplus	-	(232)
<b>Net cash inflow from operating activities</b>	<b>1,673</b>	<b>11,273</b>

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

	2015 £000	2014 £000
<b>Returns on investments and servicing of finance</b>		
Interest received	1,405	875
Interest paid	(92)	(126)
<b>Net cash inflow from returns on investments and servicing of finance</b>	<b>1,313</b>	<b>749</b>
	2015 £000	2014 £000
<b>Taxation</b>		
Corporation tax paid	(3,918)	(3,449)
	2015 £000	2014 £000
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(1,831)	(1,395)
Sale of tangible fixed assets	4,250	654
<b>Net cash outflow from capital expenditure and financial investment</b>	<b>2,419</b>	<b>(741)</b>

# ARUN ESTATE AGENCIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2015

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

	2015 £000	2014 £000
<b>Management of liquid resources</b>		
Sale of short term listed investments	623	-
Purchase of short term listed investments	(228)	(228)
	<u>395</u>	<u>(228)</u>
	2015 £000	2014 £000
<b>Financing</b>		
Repayment of loans	(4,727)	(217)
Repayment of other loans	-	(27)
<b>Net cash outflow from financing</b>	<u>(4,727)</u>	<u>(244)</u>

### 26. Analysis of changes in net funds

	1 October 2014 £000	Non- cash movement in funds £000	Cash flow £000	30 September 2015 £000
Cash at bank and in hand	10,537	-	(3,845)	6,692
<b>Liquid resources:</b>				
Current asset investments				
- sale of shares	228	395	(623)	-
- purchase of shares	-	-	228	228
<b>Debt:</b>				
Debts due within one year	(4,727)	4,727	-	-
<b>Net funds</b>	<u>6,038</u>	<u>5,122</u>	<u>(4,240)</u>	<u>6,920</u>

# ARUN ESTATE AGENCIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2015

### 27. Operating lease commitments

At 30 September 2015 the group had annual commitments under non-cancellable operating leases as follows:

	<b>Land and buildings</b>	
	<b>2015</b>	<b>2014</b>
	<b>£000</b>	<b>£000</b>
<b>Group</b>		
<b>Expiry date:</b>		
Within 1 year	617	687
Between 2 and 5 years	883	611
After more than 5 years	1,384	1,519
	<u>          </u>	<u>          </u>

### 28. Related party transactions

Transactions with related parties

	<b>2015</b>	<b>2014</b>
	<b>£000</b>	<b>£000</b>
Rent and associated charges payable to P A Rooney	848	854
Flights charged to P A Rooney	78	151
	<u>          </u>	<u>          </u>

In addition, Rooney Air Limited, a former subsidiary of the group was demerged and transferred to PA Rooney by way of a distribution in specie of the investment in that company, at its written down value of £1.

#### Amounts due from related parties

	<b>2015</b>	<b>2014</b>
	<b>£000</b>	<b>£000</b>
P A Rooney	-	241
Verdemar Finance	33,938	18,751
	<u>          </u>	<u>          </u>

#### Amounts owed to related parties

	<b>2015</b>	<b>2014</b>
	<b>£000</b>	<b>£000</b>
P A Rooney	58	-
	<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.