

Goadsby & Harding (Residential) Limited

Registered number: 1871280

Directors' report and financial statements

For the year ended 30 June 2018



GOADSBY & HARDING (RESIDENTIAL) LIMITED

COMPANY INFORMATION

Directors	P R Atfield R D N Craven D Errington D N Huck N Price G Carter (resigned 14 September 2018) S G Cumming K E Smith J Dennett J R Doerr L M Burton I M Brown
Company secretary	D Errington
Registered number	1871280
Registered office	99 Holdenhurst Road Bournemouth Dorset BH8 8DY
Independent auditor	Mazars LLP Chartered Accountants & Statutory Auditor 5th Floor Merck House Seldown Lane Poole BH15 1TW

GOADSBY & HARDING (RESIDENTIAL) LIMITED

CONTENTS

	Page
Strategic Report	1 - 2
Directors' Report	3 - 4
Independent Auditor's Report	5 - 7
Statement of Income and Retained Earnings	8
Statement of Financial Position	9
Notes to the Financial Statements	10 - 24

GOADSBY & HARDING (RESIDENTIAL) LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 30 JUNE 2018

Business review

The company has seen a 6% decrease in turnover from £8,736,878 to £8,192,394 which has resulted in an operating loss for the year of £273,325 (2017: profit of £235,461). The fall in turnover was mainly due to a reduction on sales volumes which has been largely due to the uncertainty created by Brexit.

Residential market

There was a positive contribution to the company profitability from lettings which remains a counter cyclical income stream within the Residential Company, and indeed the Goadsby Group. However, we are expecting a negative impact due to the introduction of the Tenants Fees Bill in summer 2019. That said, we are actively investigating ways to reduce its effect on the business.

During 2018 we have continued to invest in the business, not least with substantial investment over the last few years in a new website enhancing further our digital offering.

The company retains its cautious view on the market and will therefore continue to seek to maximise revenues and ensure that any planned investments are appropriately targeted for the benefit of the overall business.

Principal risks and uncertainties

Overview

The company uses financial instruments, other than derivatives, comprising borrowings, cash and other liquid resources and various other items such as trade debtors and creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the company's operations. The directors review and agrees policies for managing each of the risks as summarised below:

Credit risk

All financial assets of the company, except cash in hand, are subject to credit risk. In order to manage credit risk, where appropriate, credit limits are set for customers based upon a combination of payment history and third party credit references. Credit limits are reviewed on a regular basis.

Interest rate risk

The company finances its operations through a mixture of retained profits, bank borrowings, inter-company accounts and finance leases. The company's exposure to interest rate fluctuations on its borrowings is managed on a group basis by the use of both fixed and floating facilities.

Liquidity risk

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. Primarily this is achieved through inter-company accounts or through loans arranged at group level. Short term flexibility is achieved by overdraft facilities.

Political climate and Brexit

Political policies outside of the company's control can impact the housing market which directly impacts the trading performance of the business. This includes the uncertainty surrounding Brexit and the impact this is having on the trading of the Company. Notwithstanding the directors consider the company have sufficient resources and prompt reporting mechanisms to identify such that they can act upon political changes as required.

GOADSBY & HARDING (RESIDENTIAL) LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2018

Financial key performance indicators

The company's results are monitored monthly by the parent company's board and by operational management. Our key performance indicators continue to be revenue levels, pipeline sales and operating profitability on an individual branch basis.

Other key performance indicators

The board also monitors non-financial measures, including equivalent man power levels, productivity ratios and customer relation ratios in managing the business.

Employment practice

The company pursues an employment policy of equal opportunity and strives to follow best practice in recruitment and selection. It does not discriminate on the grounds of race, nationality, sex, marital status, disability religious or political beliefs.

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



D Errington
Director

Date: 19th March 2019.

GOADSBY & HARDING (RESIDENTIAL) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2018

The directors present their report and the financial statements for the year ended 30 June 2018.

Directors' responsibilities statement

The directors are responsible for preparing the 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activities and business review

The company is principally engaged in residential estate agency and lettings.

Results and dividends

The loss for the year, after taxation, amounted to £292,055 (2017: profit of £202,431).

Directors

The directors who served during the year were:

P R Atfield
R D N Craven
D Errington
D N Huck
N Price
G Carter (resigned 14 September 2018)
S G Cumming
K E Smith
J Dennett
J R Doerr
L M Burton
I M Brown

GOADSBY & HARDING (RESIDENTIAL) LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2018

Going concern

The directors have made an assessment in preparing these financial statements as to whether the company is a going concern, including a review of the revenue pipeline and the preparation and review of financial forecasts for the next 12 months.

The directors have concluded that there are no material uncertainties that may cast doubt on the company's ability to continue as a going concern.

Future developments

The board remain cautious of the long term market conditions. As such, ways to maximise revenue and a close monitoring of costs is at the forefront of our minds, to ensure long term profitability of the company.

Matters covered in the strategic report

Key performance indicators and a business review for the year ended 30 June 2017 are disclosed in the Strategic Report as required by s414C(11) of the Companies Act 2006.

Disclosure of information to auditor

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

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the 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's auditor is aware of that information.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditor

The auditor, Mazars LLP, 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.



D Errington
Director

Date: 19th March 2019

GOADSBY & HARDING (RESIDENTIAL) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GOADSBY & HARDING (RESIDENTIAL) LIMITED

Opinion

We have audited the financial statements of Goadsby & Harding (Residential) Limited (the 'Company') for the year ended 30 June 2018 which comprise the Statement of Income and Retained Earnings, the Statement of Financial Position and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2018 and of its loss 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The impact of uncertainties due to Britain exiting the European Union on our audit

The Directors' view on the impact of Brexit is disclosed on page 1.

The terms on which the United Kingdom may withdraw from the European Union, currently due to occur on 29 March 2019, are not clear, and it is therefore not currently possible to evaluate all the potential implications to the Company's trade, customers, suppliers and the wider economy.

We considered the impact of Brexit on the Company as part of our audit procedures, applying a standard firm wide approach in response to the uncertainty associated with the Company's future prospects and performance.

However, no audit should be expected to predict the unknowable factors or all possible implications for the Company and this is particularly the case in relation to Brexit.

GOADSBY & HARDING (RESIDENTIAL) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GOADSBY & HARDING (RESIDENTIAL) LIMITED

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

GOADSBY & HARDING (RESIDENTIAL) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GOADSBY & HARDING (RESIDENTIAL) LIMITED

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the audit report

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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.



Stephen Mills (Senior statutory auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

5th Floor
Merck House
Seldown Lane
Poole
BH15 1TW

Date: 20/3/19

GOADSBY & HARDING (RESIDENTIAL) LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 £	2017 £
Turnover	4	8,192,384	8,736,878
Administrative expenses		(8,472,777)	(8,508,267)
Other operating income		7,068	6,850
Operating (loss)/profit	5	(273,325)	235,461
Interest receivable and similar income		132	202
Interest payable and expenses	9	(5,397)	(4,793)
(Loss)/profit before tax		(278,590)	230,870
Tax on (loss)/profit	10	(13,465)	(28,439)
(Loss)/profit after tax		(292,055)	202,431
Retained earnings at the beginning of the year		5,241,421	5,588,990
(Loss)/profit for the year		(292,055)	202,431
Dividends declared and paid		(400,000)	(550,000)
Retained earnings at the end of the year		4,549,366	5,241,421

The notes on pages 10 to 24 form part of these financial statements.

GOADSBY & HARDING (RESIDENTIAL) LIMITED
REGISTERED NUMBER: 1871280

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

	Note	2018 £	2017 £
Fixed assets			
Intangible assets	12	203,792	231,448
Tangible assets	13	881,360	1,029,162
		<u>1,085,152</u>	<u>1,260,610</u>
Current assets			
Debtors: amounts falling due within one year	14	6,088,006	7,071,202
Cash at bank and in hand	15	188,432	173,530
		<u>6,276,438</u>	<u>7,244,732</u>
Creditors: amounts falling due within one year	16	(2,051,888)	(2,257,514)
Net current assets		<u>4,224,550</u>	<u>4,987,218</u>
Total assets less current liabilities		<u>5,309,702</u>	<u>6,247,828</u>
Creditors: amounts falling due after more than one year	17	(19,564)	(23,635)
Provisions for liabilities			
Other provisions	18	(108,000)	(350,000)
Net assets		<u><u>5,182,138</u></u>	<u><u>5,874,193</u></u>
Capital and reserves			
Called up share capital	19	265,254	265,254
Share premium account	20	367,518	367,518
Profit and loss account	20	4,549,366	5,241,421
		<u><u>5,182,138</u></u>	<u><u>5,874,193</u></u>

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


D Errington
 Director


N Price
 Director

Date: 19th March 2019

The notes on pages 10 to 24 form part of these financial statements.

GOADSBY & HARDING (RESIDENTIAL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

1. General information

Goadsby & Harding (Residential) Limited is a private company limited by shares, incorporated in England and Wales. The registered office is 99 Holdenhurst Road, Bournemouth, Dorset, BH8 8DY.

The company is principally engaged in residential estate agency and lettings.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A.

This information is included in the consolidated financial statements of St Gresham Limited as at 30 June 2018 and these financial statements may be obtained from registered address of the company.

2.3 Going concern

The directors have made an assessment in preparing these financial statements as to whether the company is a going concern, including a review of the revenue pipeline and the preparation and review of financial forecasts for the next 12 months.

The directors have concluded that there are no material uncertainties that may cast doubt on the company's ability to continue as a going concern.

GOADSBY & HARDING (RESIDENTIAL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Turnover comprises commission and fee receivable, exclusive of Value Added Tax. Commissions on sale of residential properties are recognised as earned when the contract for sale is exchanged, provided that thereafter the contract is or is expected to be completed. Commission and fee earned under lettings income are recognised at the point of delivery of the service.

Other operating income comprises rental income recognised on a straight-line basis over the lease term.

2.5 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of Income and Retained Earnings over its useful life of 20 years.

2.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the methods detailed below.

Depreciation is provided on the following basis:

Leasehold improvements	- straight line over the period of the lease
Motor vehicles	- 25% reducing balance
Fixtures, furniture & equipment	- 10% & 20% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Income and Retained Earnings.

GOADSBY & HARDING (RESIDENTIAL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

2. Accounting policies (continued)

2.7 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Income and Retained Earnings on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 July 2014 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.8 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.10 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties and loans to related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Income and Retained Earnings.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate

GOADSBY & HARDING (RESIDENTIAL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

2. Accounting policies (continued)

2.10 Financial instruments (continued)

for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.11 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.12 Finance costs

Finance costs are charged to the Statement of Income and Retained Earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount.

2.13 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2.14 Leased assets: the Company as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of Income and Retained Earnings so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

GOADSBY & HARDING (RESIDENTIAL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

2. Accounting policies (continued)

2.15 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Income and Retained Earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2.16 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Statement of Financial Position date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Statement of Financial Position date.

2.17 Borrowing costs

All borrowing costs are recognised in the Statement of Income and Retained Earnings in the year in which they are incurred.

2.18 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Income and Retained Earnings in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

GOADSBY & HARDING (RESIDENTIAL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

2. Accounting policies (continued)

2.19 Taxation

Tax is recognised in the Statement of Income and Retained Earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The Company's significant accounting policies are stated in note 2. Not all of these significant policies require the management to make difficult, subjective or complex judgments or estimates. The following is intended to provide an understanding of the policies the management considers critical because of their complexity, judgment and estimation involved in their application and their impact on these financial statements. Judgments and estimates are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances.

These judgments involve assumptions or estimates in respect of future events and the actual results may differ from these estimates. The areas involving a higher degree of judgments or complexity or areas where assumptions and estimates are significant to the financial statements are as follows:

- i) Amortisation of goodwill - The directors do not consider the life of goodwill to be less than 20 years due to the location of branches acquired and the expected life of the lettings book acquired. This being based upon the directors' previous experience.
- ii) Dilapidation provision - The directors provide for refurbishment of properties by estimating expected cost based on management judgments of expected cash flows.
- iii) Provision for doubtful debts - The directors provide against debts based upon prior experience with each debtor.
- iv) Depreciation of tangible assets - The directors use their industry experience to determine appropriate residual values and depreciation rates.

GOADSBY & HARDING (RESIDENTIAL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

4. Turnover

The whole of the turnover is attributable to the principal activity of the business.

All turnover arose within the United Kingdom.

5. Operating (loss)/profit

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

	2018 £	2017 £
Depreciation of tangible fixed assets	293,319	324,152
Amortisation of intangible assets, including goodwill	27,656	28,652
Other operating lease rentals	479,751	475,640
Defined contribution pension cost	151,613	188,745

6. Auditor's remuneration

	2018 £	2017 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	6,635	6,635
Fees payable to the Company's auditor and its associates in respect of:		
Taxation compliance services	1,470	1,470

GOADSBY & HARDING (RESIDENTIAL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

7. Employees

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

	2018 £	2017 £
Wages and salaries	4,262,203	4,162,075
Social security costs	456,009	445,121
Cost of defined contribution scheme	151,613	188,745
	<u>4,869,825</u>	<u>4,795,941</u>

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

	2018 No.	2017 No.
Total employees	<u>210</u>	<u>209</u>

8. Directors' remuneration

	2018 £	2017 £
Directors' emoluments	652,698	619,655
Company contributions to defined contribution pension schemes	86,121	188,744
	<u>738,819</u>	<u>808,399</u>

During the year retirement benefits were accruing to 8 directors (2017: 8) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £133,621 (2017: £118,663).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £23,308 (2017: £32,508).

GOADSBY & HARDING (RESIDENTIAL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

9. Interest payable and similar expenses

	2018 £	2017 £
Bank interest payable	2,231	72
Finance leases and hire purchase contracts	3,166	4,721
	<u>5,397</u>	<u>4,793</u>

10. Taxation

	2018 £	2017 £
Corporation tax		
Current tax on profits for the year	-	28,439
Adjustments in respect of previous periods	13,465	-
Taxation on profit on ordinary activities	<u>13,465</u>	<u>28,439</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2017 - lower than) the standard rate of corporation tax in the UK of 19% (2017 - 19.75%). The differences are explained below:

	2018 £	2017 £
Profit on ordinary activities before tax	<u>(278,590)</u>	<u>230,870</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19.75%)	(52,932)	45,597
Effects of:		
Expenses not deductible for tax purposes	20,916	(8,466)
Capital allowances for year in excess of depreciation	311	(540)
Adjustments to tax charge in respect of prior periods	13,465	-
Group relief surrendered/(claimed)	31,705	(8,152)
Total tax charge for the year	<u>13,465</u>	<u>28,439</u>

GOADSBY & HARDING (RESIDENTIAL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

10. Taxation (continued)

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

11. Dividends

	2018 £	2017 £
Dividends paid on equity capital	400,000	550,000

12. Intangible assets

	Goodwill £
Cost	
At 1 July 2017	606,518
At 30 June 2018	606,518
Amortisation	
At 1 July 2017	375,070
Charge for the year	27,656
At 30 June 2018	402,726
Net book value	
At 30 June 2018	203,792
At 30 June 2017	231,448

GOADSBY & HARDING (RESIDENTIAL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

13. Tangible fixed assets

	Leasehold improvements £	Motor vehicles £	Fixtures & fittings £	Total £
Cost or valuation				
At 1 July 2017	26,307	1,480,425	1,235,799	2,742,531
Additions	-	148,627	28,011	176,638
Disposals	(18,565)	(144,813)	(182,732)	(346,110)
At 30 June 2018	7,742	1,484,239	1,081,078	2,573,059
Depreciation				
At 1 July 2017	25,290	938,680	749,399	1,713,369
Charge for the year on owned assets	155	89,437	128,338	217,930
Charge for the year on financed assets	-	75,389	-	75,389
Disposals	(18,565)	(113,692)	(182,732)	(314,989)
At 30 June 2018	6,880	989,814	695,005	1,691,699
Net book value				
At 30 June 2018	862	494,425	386,073	881,360
At 30 June 2017	1,017	541,745	486,400	1,029,162

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2018 £	2017 £
Motor vehicles	226,157	156,486
	<u>226,157</u>	<u>156,486</u>

GOADSBY & HARDING (RESIDENTIAL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

14. Debtors

	2018 £	2017 £
Trade debtors	485,822	697,865
Amounts owed by group undertakings	5,184,686	5,962,850
Other debtors	22,759	25,541
Prepayments and accrued income	394,739	384,946
	<u>6,088,006</u>	<u>7,071,202</u>

Included within amounts owed by group undertakings is a loan to the parent company of £1,620,244 (2017: £1,620,244). This loan is due after more than one year.

15. Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	188,432	173,530
Less: bank overdrafts	(305,485)	(366,596)
	<u>(117,053)</u>	<u>(193,066)</u>

16. Creditors: Amounts falling due within one year

	2018 £	2017 £
Bank overdrafts	305,485	366,596
Trade creditors	562,756	472,074
Amounts owed to group undertakings	24,384	56,264
Corporation tax	41,902	140,524
Other taxation and social security	528,421	588,684
Obligations under finance lease and hire purchase contracts	62,714	58,996
Other creditors	154,550	144,478
Accruals and deferred income	371,676	429,898
	<u>2,051,888</u>	<u>2,257,514</u>

Included within other creditors are outstanding pension contributions of £106,062 (2017: £102,518).

GOADSBY & HARDING (RESIDENTIAL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

17. Creditors: Amounts falling due after more than one year

	2018 £	2017 £
Net obligations under finance leases and hire purchase contracts	19,564	23,635

The finance lease and hire purchase liabilities are secured by the specific fixed assets to which they relate.

18. Provisions

	Dilapidation provision £
At 1 July 2017	350,000
Charged to profit or loss	(242,000)
At 30 June 2018	108,000

The management provide for refurbishment of properties by estimating expected cost based on managements judgement of expected cash outflows.

19. Share capital

	2018 £	2017 £
Authorised, allotted, called up and fully paid		
265,254 (2017 - 265,254) Ordinary shares of £1.00 each	265,254	265,254

Summary of class rights

Ordinary shares are entitled pari pasu to dividend payments or any other distributions. These shares are entitled to the balance of the surplus on liquidation. Each share is entitled to one vote in any circumstance.

GOADSBY & HARDING (RESIDENTIAL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

20. Reserves

Share premium

The share premium account includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Profit and loss account

The profit and loss account includes all current and prior period retained profits and losses.

21. Contingent liabilities

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

There were no other contingent liabilities at 30 June 2018 or 30 June 2017.

22. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £151,613 (2017: £188,745). Contributions totalling £106,062 (2017: £102,518) were payable to the fund at the balance sheet date and are included in creditors.

23. Commitments under operating leases

At 30 June 2018 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £	2017 £
Not later than 1 year	258,526	230,300
Later than 1 year and not later than 5 years	723,859	598,335
Later than 5 years	330,039	130,664
	<u>1,312,424</u>	<u>959,299</u>

GOADSBY & HARDING (RESIDENTIAL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

24. Related party transactions

As a wholly owned subsidiary of Goadsby & Harding (Holdings) Limited, which itself is owned by St Gresham Limited, the company is exempt from the requirements to disclose transactions with other wholly owned members of the group headed by St Gresham Limited, in terms of Section 33 of FRS102.

During the year the company paid rent of £48,034 (2017: £49,799) to St Peters Limited, a company in which D Errington and D N Huck are directors. At the year end the company owed £11,925 (2017: £12,650) in respect of this rent.

During the year the company paid rent of £53,500 (2017: £53,500) to St Harding Limited, a company in which D Errington is a director. At the year end the company owed £14,375 (2017: £14,375) in respect of this rent.

During the year the company paid rent of £2,888 (2017: £1,838) to St Giles (2016) Limited, a company in which D Errington and D N Huck are directors.

25. Controlling party

The company's immediate holding company is Goadsby & Harding (Holdings) Limited, which itself is a wholly owned subsidiary of St Gresham Limited. St Gresham Limited is therefore the ultimate parent undertaking. The directors are of the view that there is no ultimate controlling party.

The largest and smallest group of undertakings, for which group accounts for the year ended 30 June 2018 have been drawn up, is that headed by St Gresham Limited. Copies of the group accounts can be obtained from the registered office, 99 Holdenhurst Road, Bournemouth, Dorset, BH8 8DY.