

GIBBS GILLESPIE SALES LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

Company Registration No. 08786708 (England and Wales)

WEDNESDAY



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GIBBS GILLESPIE SALES LIMITED

COMPANY INFORMATION

Directors	P J Gillespie	(Appointed 1 January 2014)
	J G Gibbs	(Appointed 1 January 2014)
	R W Gibbs	(Appointed 1 January 2014)

Company number	08786708
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Registered office	Batchworth House Batchworth Place Church Street Rickmansworth Hertfordshire WD3 1JE
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Auditors	Day, Smith & Hunter Batchworth House Batchworth Place Church Street Rickmansworth Herts WD3 1JE
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Business address	Chapel Lane Chambers 1 Chapel Lane Pinner Middlesex HA5 1AA
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GIBBS GILLESPIE SALES LIMITED

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GIBBS GILLESPIE SALES LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2014

The directors present the strategic report and financial statements for the year ended 31 December 2014.

Review of the business

Financial position at the reporting date

The balance sheet shows that the company's net assets at the year end were £318,556.

The Gibbs Gillespie partnership transferred all of its assets and liabilities to the company on 1 January 2014, generating £7,000,000 of goodwill.

The company generated cash from operations of £623,435 and has invested £280,775 in fixed assets.

Principal risks and uncertainties facing the business

Management continually monitor the key risks facing the company, together with assessing the controls used for managing these risks. The board of directors formally reviews and documents the principal risks facing the business at least annually.

The principal risks and uncertainties facing the company are as follows:

Economy

The UK housing market is under severe pressure, however, it shows signs of improving during 2015. Accordingly the short-term strategy is to position the company appropriately for current levels of activity whilst preparing for opportunities in the future.

Legislative

The company has systems and procedures in place to ensure compliance with, and to manage, the impact of changes in Government and ARLA legislation.

Financial and Liquidity

The company's forecasts and projections show that the company should be able to operate within its current facilities for a period of at least the next 12 months. Management continues to monitor and control working capital and capital expenditure requirements very closely.

Competitor pressure

The market in which the company operates is considered to be extremely competitive, and therefore competitor pressure could result in losing sales to key competitors. The company manages this risk by providing quality services and maintaining strong relationships with its key customers.

Loss of key personnel

This could present operational difficulties for the company. Management seek to ensure that key personnel are appropriately remunerated to ensure that good performance is recognised.

As reported in the company's profit and loss account on page 7, turnover was £5,263,715. This is a 10.5%, real terms, increase on the final partnership accounts. This is primarily due to increasing sales from offices, who have now fully established themselves in the community by upholding the high level of customer services the Gibbs Gillespie demand.

Profit before tax is £500,227. The main reason for the decrease, when compared to the partnership accounts, is the increase in costs relating to the opening of two new offices: Gerrards Cross (May 2014), Amersham (March 2015).

The company continues to focus on its core activity, particularly increasing turnover for the newer offices whilst maintaining the high level of performance experienced by the established offices.

GIBBS GILLESPIE SALES LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

Key performance indicators

Management use a range of performance measures to monitor and manage the business. The KPIs used to determine the progress and performance of the company are set out below:

Turnover

Turnover has increased by 10.5%, in real terms, compared to the final partnership accounts.

EBITDA

The EBITDA for the year amounts to £906,201 which includes the costs of two new store openings. The directors are pleased with this result and hopes it will continue and increase as the new offices develop.

Number of offices

The number of offices has increased to 8 in the year, and this is expected to grow again in 2015.

Advertising to turnover

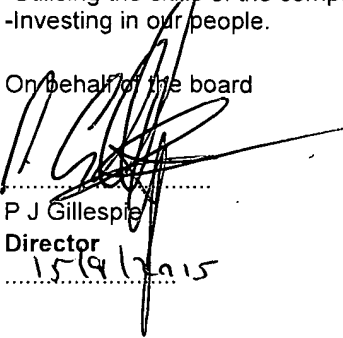
The total advertising cost was 12% of turnover. This is an increase compared to the 7.4% achieved in the final partnership accounts and was a direct result of the opening of new offices.

Strategy & Future Developments

The objective of the company is to achieve profitable growth and a sustainable business by capitalising on its reputation and regional presence. We aim to achieve this through:

- Strong brand recognition and the reputation attached to it
- Maintaining a strong database of buyers
- Utilising the skills of the company's very experienced staff.
- Investing in our people.

On behalf of the board



.....
P J Gillespie

Director

15/9/2015

GIBBS GILLESPIE SALES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2014

The directors present their report and financial statements for the year ended 31 December 2014.

Principal activities

The principle activity of the company throughout the current year was that of real estate management.

Results and dividends

The results for the year are set out on page 7.

Directors

The following directors have held office since 1 January 2014:

P J Gillespie	(Appointed 1 January 2014)
J G Gibbs	(Appointed 1 January 2014)
R W Gibbs	(Appointed 1 January 2014)

Auditors

Day, Smith & Hunter were appointed auditors to the company and in accordance with section 485 of the Companies Act 2006 and, unless otherwise stated will be deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, 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 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 and then apply them consistently;
- make judgements 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 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.

GIBBS GILLESPIE SALES LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

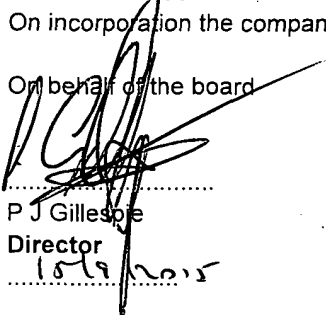
Incorporation

The company was incorporated on 22 November 2013. The company commenced trading on 1 January 2014 as this was the date that the assets and liabilities of the Gibbs Gillespie Partnership were transferred to the company.

Issue of shares

On incorporation the company issued 100 Ordinary shares of £1 each, at par.

On behalf of the board



.....
P J Gillespie

Director
15/1/2015

GIBBS GILLESPIE SALES LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF GIBBS GILLESPIE SALES LIMITED

We have audited the financial statements of Gibbs Gillespie Sales Limited for the year ended 31 December 2014 set out on pages 7 to 18. 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 set out on pages 3 - 4, the directors are responsible for the preparation of the 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 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 financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the 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 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 financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited 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 financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its 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 Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

GIBBS GILLESPIE SALES LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF GIBBS GILLESPIE SALES 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, 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.

David Jones FCA (Senior Statutory Auditor)
for and on behalf of Day, Smith & Hunter

.....

Chartered Accountants
Statutory Auditor

Batchworth House
Batchworth Place
Church Street
Rickmansworth
Herts
WD3 1JE

15/9/2015

GIBBS GILLESPIE SALES LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	2014 £
Turnover	2	5,263,715
Administrative expenses		(4,784,564)
Other operating income		16,600
Operating profit	3	495,751
Other interest receivable and similar income	4	59
Interest payable and similar charges	5	(4,077)
Profit on ordinary activities before taxation		491,733
Tax on profit on ordinary activities	6	(179,945)
Profit for the year	15	<u>311,788</u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

GIBBS GILLESPIE SALES LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2014

	Notes	2014 £	£
Fixed assets			
Intangible assets	7		6,650,000
Tangible assets	8		228,819
			<u>6,878,819</u>
Current assets			
Debtors	9	539,828	
Cash at bank and in hand		623,435	
		<u>1,163,263</u>	
Creditors: amounts falling due within one year	10	(2,656,591)	
		<u></u>	
Net current liabilities			(1,493,328)
Total assets less current liabilities			<u>5,385,491</u>
Creditors: amounts falling due after more than one year	11		(5,027,839)
Provisions for liabilities	12		(45,764)
			<u>311,888</u>
			<u><u>311,888</u></u>
Capital and reserves			
Called up share capital	14		100
Profit and loss account	15		311,788
			<u>311,888</u>
Shareholders' funds	16		<u><u>311,888</u></u>

Approved by the Board and authorised for issue on 15/6/2015

J G Gibbs
Director

Company Registration No. 08786708

GIBBS GILLESPIE SALES LIMITED**CASH FLOW STATEMENT****FOR THE YEAR ENDED 31 DECEMBER 2014**

	£	2014 £
Net cash outflow from operating activities		(4,174,059)
Returns on investments and servicing of finance		
Interest received	59	
Interest paid	(4,077)	
Net cash outflow for returns on investments and servicing of finance		(4,018)
Capital expenditure		
Payments to acquire tangible assets	(280,775)	
Net cash outflow for capital expenditure		(280,775)
Net cash outflow before management of liquid resources and financing		(4,458,852)
Financing		
Issue of ordinary share capital	100	
New long term bank loan	18,399	
Other new long term loans	5,009,440	
Other new short term loans	54,348	
Net cash inflow/(outflow) from financing		5,082,287
Increase in cash in the year		623,435

GIBBS GILLESPIE SALES LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2014

1 Reconciliation of operating profit to net cash (outflow)/inflow from operating activities	2014
	£
Operating profit/(loss)	495,751
Depreciation of tangible assets	51,956
Amortisation of intangible assets	350,000
Increase in debtors	(539,828)
Increase in creditors within one year	(4,531,938)
Net cash outflow from operating activities	(4,174,059)

2 Analysis of net debt	1 January 2014	Cash flow	Other non- cash changes
		£	£
Net cash:			
Cash at bank and in hand	-	623,435	-
Bank deposits	-	-	-
Debt:			
Debts falling due within one year	-	(54,348)	-
Debts falling due after one year	-	(5,027,839)	-
	-	(5,082,187)	-
Net debt	-	(4,458,752)	-

3 Reconciliation of net cash flow to movement in net debt	2014
	£
Increase in cash in the year	623,435
Cash inflow from increase in debt	(5,082,187)
Movement in net debt in the year	(4,458,752)
Opening net debt	-
Closing net debt	(4,458,752)

4 Major non-cash transactions

On incorporation, goodwill of £7,000,000 was capitalised. This was allocated between the shareholders as a creditor and will be withdrawn from the company periodically, when there is sufficient cash available.

GIBBS GILLESPIE SALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

The accounts have been prepared on a going concern basis as the directors have pledged to provide continued financial support to the company.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently.

1.3 Turnover

Turnover represents invoiced estate agent fees net of VAT and trade discounts.

Income is recognised in the accounting period in which the service is rendered, by reference to the date the contracts are exchanged for each property.

1.4 Goodwill

Acquired goodwill is written off in equal annual installments over its estimated useful economic life of 20 years.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Plant and machinery	25% on cost
Equipment, fixtures and fittings	25% on cost

1.6 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.7 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.8 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

GIBBS GILLESPIE SALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

3	Operating profit	2014
		£
	Operating profit is stated after charging:	
	Amortisation of intangible assets	350,000
	Depreciation of tangible assets	51,956
	Operating lease rentals	239,348
	Auditors' remuneration (including expenses and benefits in kind)	8,000
		<u> </u>
4	Investment income	2014
		£
	Bank interest	59
		<u> </u>
		59
		<u> </u>
5	Interest payable	2014
		£
	On bank loans and overdrafts	4,077
		<u> </u>

GIBBS GILLESPIE SALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

6	Taxation	2014
		£
	Domestic current year tax	
	U.K. corporation tax at 21.49%	134,181
	Total current tax	134,181
	Deferred tax	
	Origination and reversal of timing differences	45,764
		179,945
	Factors affecting the tax charge for the year	
	Profit on ordinary activities before taxation	491,733
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 21.49%	105,689
	Effects of:	
	Non deductible expenses	3,322
	Depreciation add back	86,393
	Capital allowances	(60,347)
	Tax losses utilised	(876)
		28,492
	Current tax charge for the year	134,181
7	Intangible fixed assets	
		Goodwill
		£
	Cost	
	At 1 January 2014	-
	Additions	7,000,000
	At 31 December 2014	7,000,000
	Amortisation	
	At 1 January 2014	-
	Charge for the year	350,000
	At 31 December 2014	350,000
	Net book value	
	At 31 December 2014	6,650,000

GIBBS GILLESPIE SALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

8 Tangible fixed assets

	Plant and Equipment, machinery fixtures and fittings		Total
	£	£	£
Cost			
At 1 January 2014	-	-	-
Additions	3,570	277,205	280,775
At 31 December 2014	3,570	277,205	280,775
Depreciation			
At 1 January 2014	-	-	-
Charge for the year	446	51,510	51,956
At 31 December 2014	446	51,510	51,956
Net book value			
At 31 December 2014	3,124	225,695	228,819

9 Debtors

	2014 £
Trade debtors	443,888
Prepayments and accrued income	95,940
	<u>539,828</u>

10 Creditors: amounts falling due within one year

	2014 £
Bank loans and overdrafts	54,348
Trade creditors	132,065
Corporation tax	134,181
Other taxes and social security costs	230,955
Directors' current accounts	1,300,000
Other creditors	770,278
Accruals and deferred income	34,764
	<u>2,656,591</u>

GIBBS GILLESPIE SALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

11	Creditors: amounts falling due after more than one year	2014
		£
	Bank loans	18,399
	Other loans	5,009,440
		<u>5,027,839</u>
	Analysis of loans	
	Wholly repayable within five years	5,082,187
		<u>5,082,187</u>
	Included in current liabilities	(54,348)
		<u>5,027,839</u>
	Loan maturity analysis	
	In more than one year but not more than two years	18,399
		<u>18,399</u>

The other loans balance represents the portion of loans due to directors not deemed payable within one year (see note 21).

12	Provisions for liabilities	Deferred tax liability
		£
	Profit and loss account	45,764
	Balance at 31 December 2014	<u>45,764</u>

The deferred tax liability is made up as follows:

	2014
	£
Accelerated capital allowances	<u>45,764</u>

GIBBS GILLESPIE SALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

13 Retirement Benefits

Defined contribution scheme

The company operates a defined contribution 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.

At 31 December 2014 contributions amounting to £1,672 were payable to the fund and were included in other creditors.

	2014 £
Contributions payable by the company for the year	10,908

14 Share capital

Allotted, called up and fully paid

100 Ordinary shares of £1 each

2014
£

100

On Incorporation 100 ordinary shares of £1 each were allotted and fully paid at par for cash consideration to provide additional working capital.

15 Statement of movements on profit and loss account

	Profit and loss account £
Profit for the year	311,788

16 Reconciliation of movements in Shareholders' funds

	2014 £
Profit for the financial year	311,788
Proceeds from issue of shares	100
Net addition to shareholders' funds	311,888
Opening Shareholders' funds	-
Closing Shareholders' funds	311,888

GIBBS GILLESPIE SALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

17 Financial commitments

At 31 December 2014 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2015:

	Land and buildings 2014 £	Other 2014 £
Operating leases which expire:		
Between two and five years	39,250	15,922
In over five years	170,400	-
	<u>209,650</u>	<u>15,922</u>

18 Directors' remuneration

	2014 £
Remuneration for qualifying services	<u>185,914</u>

19 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2014 Number
Senior management	3
Other staff	133
	<u>136</u>

Employment costs

	2014 £
Wages and salaries	2,256,345
Social security costs	237,031
Other pension costs	10,908
	<u>2,504,284</u>

20 Control

There was no overall controlling party throughout the current year.

GIBBS GILLESPIE SALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

21 Related party relationships and transactions

Transactions in relation to loans with directors during the year are outlined in the table below:

Description	% Rate	Opening Balance £	Amounts Advanced £	Interest Charged £	Amounts Repaid £	Closing Balance £
J G Gibbs - loan account	-	-	2,570,695	-	495,594	2,075,101
P J Gillespie - loan account	-	-	2,759,998	-	507,089	2,252,909
R W Gibbs - loan account	-	-	2,267,170	-	285,740	1,981,430
		-	7,597,863	-	1,288,423	6,309,440

The above balance has been split between creditors due within one year and creditors due in more than one year as follows;

	Due in less than one year	Due in more than one year
J G Gibbs	£500,000	£1,681,430
P J Gillespie	£500,000	£1,752,909
R W Gibbs	£300,000	£1,575,101
TOTAL	£1,300,000	£5,009,440

Included in other creditors are the following balances owed to related parties;

Gibbs Gillespie Lettings Limited	£680,163
Crecuts Limited	£28,758
Mortgage and insurance Bureau Limited	£44,187

During the year the following balances were recharged from/(to) the company;

Gibbs Gillespie Lettings Limited	£680,163
Mortgage and Insurance Bureau Limited	£28,758
Crecuts Limited	£44,187

Gibbs Gillespie Lettings Limited and Mortgage and Insurance Bureau Limited are companies registered in England and Wales and are related by virtue of the fact they are under common control.

Crecuts Limited a company registered in England and Wales, is related by virtue of the fact it is under the control of associated parties.