

Notes to the financial statements

continued

16(e). Acquisitions of subsidiaries

On 29 March 2010, the Group acquired 100% of the voting share capital in Incoll Group Pty Limited, an Australian Project Management business. Cash consideration of £9.0m was paid. Goodwill on acquisition of £7.6m has been determined, and is attributable to Incoll's strong position in the market. None of the goodwill is expected to be deductible for tax purposes. Other intangible assets of £1.3m have been identified and relate to project management contracts. Incoll has been merged with Savills Australia's established specialist project management business to create a stronger business, with the aim of expanding it further across the Savills Asia Pacific network.

	Provisional fair value to Group
	Total £m
Subsidiaries acquired	
Property, plant and equipment (Note 15)	0.4
Deferred tax asset	0.2
Current assets:	
Trade and other receivables	3.4
Cash and cash equivalents	0.7
Current liabilities:	
Trade and other payables	(3.6)
Current tax liabilities	(0.2)
Borrowings (Note 31)	(0.4)
Employee and retirement benefit obligations (Note 24(b))	(0.2)
Non-current borrowings (Note 31)	(0.1)
Non-current employee and retirement obligations (Note 24(b))	(0.1)
Net assets	0.1
Non-controlling share of net assets	–
Other intangibles (Note 14)	1.3
Fair value of net assets acquired	1.4
Goodwill (Note 14)	7.6
Purchase consideration	9.0
Consideration satisfied by:	
Cash paid	9.0
Cash acquired	(0.7)
	8.3

For the acquisition, there was no difference between the fair value and carrying value of net assets acquired, except for intangible assets. The Group acquires businesses intended for use on a continuing basis. Goodwill is attributable to anticipated future operating synergies from the combination with existing businesses and perceived future economic benefits that will be generated from the staff/client relationships acquired. There were no significant changes to the provisional goodwill that arose in the previous year on acquisitions.

IFRS 3 (revised) has been applied to this acquisition which was accounted for using the acquisition method. Acquisition related costs of £0.2m are included in the income statement. These would have previously been included in the consideration for the acquisition.

Included in Group operating profit relating to acquisitions is revenue of £12.2m (2009: £0.6m), staff costs of £8.0m (2009: £0.6m), depreciation of £0.2m (2009: £nil), amortisation of £nil (2009: £nil) and other operating charges of £3.0m (2009: £0.3m). If the date for all acquisitions made during the year had been at the beginning of the year, amounts relating to these acquisitions would have been revenue of £17.7m (2009: £1.0m), staff costs of £10.3m (2009: £0.9m), depreciation of £0.4m (2009: £nil), amortisation of £nil (2009: £nil) and other operating charges of £5.9m (2009: £0.5m).