

# Financial Statements

## Aylesford & Co (Estate Agents) Limited

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**For the year ended 31 March 2015**



**Registered number: 0983674**

## Company Information

<b>Directors</b>	A J Langton L M Telfer (resigned 26 June 2014) C S L Cockcroft B A P Roberts
<b>Company secretary</b>	J Hughes
<b>Registered number</b>	0983674
<b>Registered office</b>	440 Kings Road London SW10 0LH
<b>Independent auditor</b>	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor Colmore Plaza 20 Colmore Circus Birmingham West Midlands B4 6AT
<b>Bankers</b>	Barclays Bank plc 1 Churchill Place London E14 5HP
<b>Solicitors</b>	Grosvenor Law 60 Grosvenor Street London W1K 3HZ

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## Directors' report

For the year ended 31 March 2015

The directors present their report and the audited financial statements for the year ended 31 March 2015.

### **Principal activities**

The principal activity of the company during the year was that of the provision of estate agency services, marketing property in prime areas of London as well as select international properties.

### **Directors**

The directors who served during the year were:

C S L Cockcroft  
L M Telfer (resigned 26 June 2014)  
A J Langton  
B A P Roberts

### **Principal risks and uncertainties**

The principal risks and uncertainties faced by the company relate to fluctuations in the demand for property due to worldwide and local economic conditions.

### **Directors' responsibilities statement**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and 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 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 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.

## Directors' report

For the year ended 31 March 2015

### 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 that director is aware, there is no relevant audit information of which the company's auditor is 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's auditor is aware of that information.

### Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

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

  
J Hughes  
Secretary

Date: 21.12.2015

## Independent auditor's report to the members of Aylesford & Co (Estate Agents) Limited

We have audited the financial statements of Aylesford & Co (Estate Agents) Limited for the year ended 31 March 2015, which comprise the Profit and Loss Account, the Balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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.

### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement, 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 (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **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 March 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Emphasis of matter**

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the company's ability to continue as a going concern. The matters explained in note 1 to the financial statements regarding the achievability of the company's trading and cash forecasts indicate the existence of material uncertainties which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

### **Opinion on other matter prescribed by the Companies Act 2006**

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



## Independent auditor's report to the members of Aylesford & Co (Estate Agents) 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a strategic report.

*Grant Thornton UK LLP*

Martin Ramsey (senior statutory auditor)  
for and on behalf of  
Grant Thornton UK LLP  
Statutory Auditor  
Chartered Accountants  
Birmingham  
Date: 22/12/15

## Profit and loss account

For the year ended 31 March 2015

	Note	2015 £	2014 £
<b>Turnover</b>	1, 2	2,837,479	6,429,599
Cost of sales		(607,337)	(1,708,897)
<b>Gross profit</b>		<u>2,230,142</u>	<u>4,720,702</u>
Administrative expenses		(2,173,324)	(4,476,162)
<b>Operating profit</b>	3	<u>56,818</u>	<u>244,540</u>
Interest receivable and similar income		7,370	23,306
Interest payable and similar charges		(15,360)	(14,292)
<b>Profit on ordinary activities before taxation</b>		<u>48,828</u>	<u>253,554</u>
Tax on profit on ordinary activities	6	(14,511)	(87,263)
<b>Profit for the financial year</b>		<u><u>34,317</u></u>	<u><u>166,291</u></u>

The notes on pages 7 to 15 form part of these financial statements.



## Balance sheet

As at 31 March 2015

	Note	£	2015 £	£	2014 £
<b>Fixed assets</b>					
Tangible assets	7		16,584		55,235
Investments	8		650		650
			<u>17,234</u>		<u>55,885</u>
<b>Current assets</b>					
Debtors	9	4,556,828		3,882,876	
Cash in hand		738		590	
		<u>4,557,566</u>		<u>3,883,466</u>	
<b>Creditors: amounts falling due within one year</b>	10	<u>(3,017,966)</u>		<u>(2,395,805)</u>	
<b>Net current assets</b>			<u>1,539,600</u>		<u>1,487,661</u>
<b>Total assets less current liabilities</b>			<u>1,556,834</u>		<u>1,543,546</u>
<b>Creditors: amounts falling due after more than one year</b>	11		<u>-</u>		<u>(21,029)</u>
<b>Net assets</b>			<u><u>1,556,834</u></u>		<u><u>1,522,517</u></u>
<b>Capital and reserves</b>					
Called up share capital	13		3,000		3,000
Profit and loss account	14		<u>1,553,834</u>		<u>1,519,517</u>
<b>Shareholders' funds</b>			<u><u>1,556,834</u></u>		<u><u>1,522,517</u></u>

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

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



A J Langton  
Director

Date: 21.12.2015

The notes on pages 7 to 15 form part of these financial statements.

# Notes to the financial statements

For the year ended 31 March 2015

## **1. Accounting policies**

### **1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

### **1.2 Cash flow**

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

### **1.3 Going concern**

In considering the going concern position of the company the directors have taken into consideration the position of the parent undertaking, Aylesford Holdings Limited as the company is reliant on bank funding and the support of the parent undertaking.

The directors have prepared trading and cash flow forecasts for at least 12 months from the date of signing the financial statements which indicate the company's ability to meet its debts as they fall due. The forecasts include key assumptions around the amount and timing of commissions receivable, which the directors have forecast based on information currently available to them, and are inherently uncertain in the sector in which the company operates.

The group and the company have an ongoing bank overdraft facility and the directors have considered that this facility is adequate to meet the funding requirements of the group for the foreseeable future. In considering the position with regard to going concern the directors have also considered the settlement of a legal case which has been settled in the company's favour post year end.

As such, the directors consider it appropriate to continue to prepare the financial statements on a going concern basis.

### **1.4 Turnover**

Turnover comprises commission and fees receivable, stated net of value added tax. Commission earned on sales of residential property is recognised on exchange of contract to the extent it is expected to complete and the company has fulfilled all of its contractual obligations. Commission earned on the letting of residential property is recognised over the period of the letting. Income from other services is recognised in the period the services are provided.

# Notes to the financial statements

For the year ended 31 March 2015

## **1. Accounting policies (continued)**

### **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 of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold improvements	-	25% straight line
Plant & machinery	-	33.3% straight line
Motor vehicles	-	25% straight line
Fixtures, fittings and equipment	-	25% straight line
Website development costs	-	33.33% straight line

### **1.6 Investments**

Investments are shown at cost less provision for impairment.

### **1.7 Pension costs**

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 Financial instruments**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

## **2. Turnover**

The total turnover of the company for the year has been derived from its principal activity.

## Notes to the financial statements

For the year ended 31 March 2015

### 3. Operating profit

The operating profit is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets:		
- owned by the company	24,761	46,506
- held under finance leases	13,890	20,835
Auditor's remuneration	23,800	23,800
Auditor's remuneration - non-audit	14,000	14,000
Pension costs	26,637	49,860
	<u>26,637</u>	<u>49,860</u>

### 4. Directors' remuneration

	2015 £	2014 £
Aggregate remuneration	<u>718,992</u>	<u>1,546,885</u>

### 5. Pensions

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.

	2015 £	2014 £
Contributions payable by the company for the year	<u>26,637</u>	<u>49,860</u>

# Notes to the financial statements

For the year ended 31 March 2015

## 6. Taxation

	2015 £	2014 £
<b>Analysis of tax charge in the year</b>		
<b>Current tax</b>		
UK corporation tax charge on profit for the year	6,815	64,883
Adjustments in respect of prior periods	1,561	66,324
	<hr/>	<hr/>
<b>Current tax charge before group relief</b>	8,376	131,207
Group taxation relief	8,794	18,513
	<hr/>	<hr/>
<b>Total current tax</b>	17,170	149,720
	<hr/>	<hr/>
<b>Deferred tax (see note 12)</b>		
Origination and reversal of timing differences	(2,659)	(62,457)
	<hr/>	<hr/>
<b>Tax on profit on ordinary activities</b>	14,511	87,263
	<hr/>	<hr/>

# Notes to the financial statements

For the year ended 31 March 2015

## 7. Tangible fixed assets

	Leasehold improvements £	Plant & machinery £	Motor vehicles £	Fixtures, fittings and equipment £	Website development costs £
<b>Cost</b>					
At 1 April 2014	7,416	25,008	55,559	57,078	39,500
Items written down	-	(4,810)	-	(8,598)	-
At 31 March 2015	7,416	20,198	55,559	48,480	39,500
<b>Depreciation</b>					
At 1 April 2014	3,356	20,789	33,553	41,233	30,395
Charge for the year	1,881	2,842	13,890	10,933	9,105
On items written down	-	(4,810)	-	(8,598)	-
At 31 March 2015	5,237	18,821	47,443	43,568	39,500
<b>Net book value</b>					
At 31 March 2015	2,179	1,377	8,116	4,912	-
At 31 March 2014	4,060	4,219	22,006	15,845	9,105
					<b>Total £</b>
<b>Cost</b>					
At 1 April 2014					184,561
Items written down					(13,408)
At 31 March 2015					171,153
<b>Depreciation</b>					
At 1 April 2014					129,326
Charge for the year					38,651
On items written down					(13,408)
At 31 March 2015					154,569
<b>Net book value</b>					
At 31 March 2015					16,584
At 31 March 2014					55,235

# Notes to the financial statements

For the year ended 31 March 2015

## 7. Tangible fixed assets (continued)

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

	2015	2014
	£	£
Motor vehicles	8,116	21,715

## 8. Fixed asset investments

	Unlisted investments £
<b>Cost</b>	
At 1 April 2014 and 31 March 2015	650
<b>Net book value</b>	
At 31 March 2015	650
At 31 March 2014	650

The investment is a minority stake in an unlisted company.

## 9. Debtors

	2015	2014
	£	£
Trade debtors	66,986	232,799
Amounts owed by group undertakings	4,024,483	3,393,811
Prepayments and accrued income	361,647	171,051
Other debtors	27,926	30,197
Tax recoverable - group relief	18,109	-
Deferred tax asset (see note 12)	57,677	55,018
	4,556,828	3,882,876

# Notes to the financial statements

For the year ended 31 March 2015

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

	2015	2014
	£	£
Bank loans and overdrafts	1,071,988	442,757
Net obligations under finance leases and hire purchase contracts	21,029	7,597
Trade creditors	224,118	178,143
Amounts owed to group undertakings	355,542	315,900
Corporation tax	118,230	98,739
Other taxation and social security	560,062	493,158
Other creditors	98,488	22,535
Accruals and deferred income	568,509	836,976
	<u>3,017,966</u>	<u>2,395,805</u>

The overdraft facility is secured on freehold property and associated assets held by a sister company, Silvergrad Limited. Aylesford & Co (Estate Agents) Limited has also provided an unlimited guarantee to Barclays bank in relation to this overdraft facility.

## 11. Creditors: Amounts falling due after more than one year

	2015	2014
	£	£
Net obligations under finance leases and hire purchase contracts	-	21,029
	<u>-</u>	<u>21,029</u>

## 12. Deferred tax asset

	2015	2014
	£	£
At beginning of year	55,018	(7,439)
Released during year	2,659	62,457
	<u>57,677</u>	<u>55,018</u>

The deferred tax asset is made up as follows:

	2015	2014
	£	£
Accelerated capital allowances	(8,209)	7,439
Short term timing differences	(49,468)	(62,457)
	<u>(57,677)</u>	<u>(55,018)</u>



# Notes to the financial statements

For the year ended 31 March 2015

## 13. Share capital

	2015 £	2014 £
<b>Authorised</b>		
530,000 Ordinary shares of £0.05 each	26,500	26,500
800,000 Deferred shares of £0.05 each	40,000	40,000
	<u>66,500</u>	<u>66,500</u>
<b>Allotted, called up and fully paid</b>		
20,000 Ordinary shares of £0.05 each	1,000	1,000
40,000 Deferred shares of £0.05 each	2,000	2,000
	<u>3,000</u>	<u>3,000</u>

The deferred shares carry the right to repayment of paid up capital in the event of a winding up subject to the ordinary shareholders receiving a distribution of at least £10,000,000.

## 14. Reserves

	Profit and loss account £
At 1 April 2014	1,519,517
Profit for the financial year	34,317
	<u>1,553,834</u>
At 31 March 2015	

## 15. Capital commitments

There were no capital commitments at 31 March 2015 or 31 March 2014.

## 16. Operating lease commitments

At 31 March 2015 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2015 £	2014 £	2015 £	2014 £
<b>Expiry date:</b>				
Between 2 and 5 years	19,000	19,000	26,796	25,793
After more than 5 years	77,000	77,000	12,740	12,438
	<u>96,000</u>	<u>96,000</u>	<u>39,536</u>	<u>38,231</u>

## Notes to the financial statements

For the year ended 31 March 2015

### **17. Contingent assets**

The company was involved in legal proceedings during the year. This has resulted in a contingent asset of £591,000 at the end of the financial year.

### **18. Related party transactions**

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the parent undertaking.

During the year the company recharged Langton Watzdorf International Limited, a company owned by H Langton, the son of a director of the group, for expenses of £nil (2014: £18,886). The amounts due from that company at the year end were £nil (2014: £3,549).

During the year expenses of £766 (2014: £nil) were recharged to Langton Interiors Limited, a company owned by C Langton, the wife of a director of the group. The amounts due from that company at the year end were £nil (2014: £nil).

### **19. Ultimate parent undertaking and controlling party**

The company is an immediate subsidiary undertaking of Aylesford Holdings Limited, a company registered in England and Wales. Aylesford Holdings Limited is the largest group of undertakings for which group accounts are prepared in the UK. The consolidated accounts are available to public and may be obtained from The Registrar of Companies, Companies House, Crown Way, Maindy, Cardiff CF4 3UZ.

The ultimate holding company is Aylesford International Holdings SA, a company registered in the British Virgin Islands. A Langton is the ultimate controlling party by virtue of his controlling interest in the ultimate holding company.