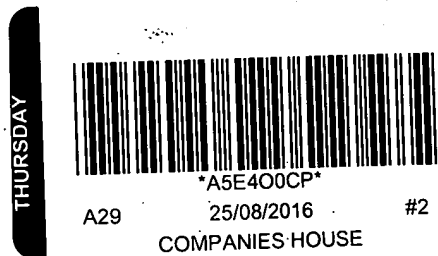


Company Registration No. 02061041 (England and Wales)

**FIRSTPORT PROPERTY SERVICES LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**



# FIRSTPORT PROPERTY SERVICES LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	O Saleh N Howell R Tillison (Appointed 1 July 2015)
<b>Secretary</b>	O Saleh
<b>Company number</b>	02061041
<b>Registered office</b>	Queensway House 11 Queensway New Milton Hampshire United Kingdom BH25 5NR
<b>Independent Auditors</b>	PricewaterhouseCoopers LLP 10 Bricket Road St Albans Herts AL1 3JX
<b>Bankers</b>	Royal Bank of Scotland 12 High Street Southampton Hampshire S014 2BF

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# FIRSTPORT PROPERTY SERVICES LIMITED

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# FIRSTPORT PROPERTY SERVICES LIMITED

## STRATEGIC REPORT

**FOR THE YEAR ENDED 31 DECEMBER 2015**

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FirstPort, of which FirstPort Property Services Limited is a substantial part, is the UK's largest residential property management group looking after approximately 3,700 residential developments nationwide with our core service offerings spanning across the whole residential sector including general and retirement properties, along with a bespoke service available to complex and luxury developments. We also provide specialist retirement estate agency services, residential lettings and a range of property related insurance products. FirstPort is a division of Knight Square Holdings Limited.

### Business Review

FirstPort Property Services Limited is our open market brand with a portfolio of small to medium sized developments covering all of the UK. Continued investment in the customer service experience including improving technology to enhance service delivery is ongoing and being benchmarked to reach new industry standards. Our unique interactive property management platform "Your Property Online" provides access to all key documents and at the same time reduces paper outputs.

2015 was a significant year for FirstPort as we finalised our decentralisation from the Knight Square Holdings Limited Group, enhanced our operational model and aligned our strategic goals to provide a strong platform for growth in 2016 and beyond. Stemming from the above was the embedding of our identity under our new brands, FirstPort Retirement, FirstPort Property Services and FirstPort Bespoke.

During 2015 we commissioned a research report entitled "Liberating today's apartment residents" to gain an insight into what made people want to live in apartments, what they thought of the service providers in their buildings and what was important to them in enjoying an apartment style of living. We surveyed over 700 FirstPort and non-FirstPort customers who live in an apartment in London and the South East. The findings were very positive, revealing that over 80% of residents choose living in an apartment because it suits their lifestyle and reflects benefits such as proximity to work and social amenities, while other notable advantages were fewer worries about maintenance and looking after the property.

This report endorsed our opinion that apartment block living is a growth market and outsourced management services aligned to FirstPort's expertise will remain in great demand.

The UK housing market appeared to be stable in 2015 despite the slowdown compared to 2014 levels. Shortages in housing and the introduction of the Build to Rent Fund is driving property development throughout the UK particularly in London and the surrounding areas. The majority of these developments are in the non-retirement sector but the ageing demographic is impacting the landscape as people are seeking to live independently for a longer period of time.

While these are positive indicators for our future, the overall property management market is competitive with reputation and service charge costs remaining the key decision-making factors. This underlines the importance of delivering excellent customer service, which is a key component of our strategy.

<b>Operational Key Performance Indicators</b>	<b>2015</b>	<b>2014</b>
Number of developments	1,834	1,615
Retention rates	96.2%	94.5%
<b>Financial highlights</b>		
	<b>2015</b>	<b>2014</b>
Turnover (£'000)	17,530	16,243
EBITDA* (£'000)	4,467	1,864
EBITDA %	25.5%	11.5%
Cash at bank and in hand (£'000)	185	727
Net assets (£'000)	5,145	1,502

\*EBITDA is defined as profit before interest, tax, depreciation and amortisation and excludes one off exceptional items as disclosed in Note 4.

# FIRSTPORT PROPERTY SERVICES LIMITED

## STRATEGIC REPORT (CONTINUED)

*FOR THE YEAR ENDED 31 DECEMBER 2015*

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### Business Review (continued)

#### Financial performance

Revenue for the year was £17.5m, 7.9% higher than the prior year (2014: £16.2m). Trading conditions in the property market were steady during the year enabling high retention rates of 96% to be achieved, an increase of 1.7 percentage points. After total administrative costs of £13.2m (2014: £14.7m), the Company returned an operating profit of £3.7m (2014: loss of £0.3m), even after taking into account exceptional items incurred of £0.6m (2014: £1.8m). The exceptional spend related to restructuring.

#### Future developments

During 2016/2017 we will continue to focus on sustaining excellent customer service, well-trained teams and introducing technological innovation to support our property managers and expanding into new growth areas of operation.

#### Financial position

The company has increased shareholder's funds to £5.1m (2014: £1.5m). Net current assets increased to £5.9m from £2.4m. Cash at bank and in hand reduced to £0.2m at the end of 2015 (2014: £0.7m).

#### Transition to FRS102

This is the first year that the company has presented its financial statements under FRS102. The transition to FRS102 has had no effect on the profit and loss account, net assets or equity of the company.

### Corporate Social Responsibility

The Knight Square group of companies ("Knight Square"), of which FirstPort Property Services Limited is one, recognises the importance of the way in which its portfolio companies operate and understands that our business operations must be carried out with consideration for the safety and well-being of our people, customers, business partners and the local communities in which they exist and with whom they interact.

#### Health and Safety

The company takes its obligations for safety at its office, operational, and development sites very seriously, along with the risks to staff travelling between locations. These obligations extend to staff, residents, visitors, contractors, and members of the public. The risk is mitigated by having a robust health and safety culture with a safety risk register, actions to eliminate or mitigate risks where possible, and monitoring and reporting of accidents and near misses.

We are committed to ensuring staff, customers, members of the public, and anyone who interacts with the FirstPort businesses remain safe and well. Safe working practices are a constant focus for all our teams and we invest in safety training.

Health and safety continues to be a central aspect of our service. FirstPort has recently been awarded a 4 Star rating from the British Safety Council which shows the significant focus we place on health and safety. Investment in compliance teams and databases is continuing, allowing us to remain up to date on current legislation and maintain high site standards across our portfolio, demonstrated through an accident rate of less than 0.1%.

#### Employees

The company's policy is to consult and discuss with employees, individually and collectively, on matters likely to affect employees' interests. Information on matters of concern to employees is given through news bulletins that seek to achieve a common awareness on the part of all employees, of all factors affecting the company's performance.

The company operates an active equal opportunities policy and we pride ourselves on our diverse workforce. Our success is a result of our employees working together with different competencies and skills, educational backgrounds, ethnicity, religious beliefs and physical abilities, and we judge performance without prejudice or discrimination.

# FIRSTPORT PROPERTY SERVICES LIMITED

## STRATEGIC REPORT (CONTINUED)

*FOR THE YEAR ENDED 31 DECEMBER 2015*

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### **Corporate Social Responsibility (continued)**

The company's policy is to enable recruitment of disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training courses is given. Once employed, a career plan is developed to ensure suitable opportunities for each disabled person. Arrangements are made, wherever possible, for retraining employees who become disabled to enable them to perform work identified as appropriate.

Our employees' commitment, expertise and performance are among our greatest strengths, and we know that people only work at the top of their ability if they are fully motivated and engaged. FirstPort conducts an independent survey every year to measure our employees' satisfaction and pinpoint areas for further improvement. The 2015 survey showed continued strong levels of engagement across the business and that the vast majority of staff feel they make a contribution to the performance of their team and the delivery of high quality service. We take the survey's findings very seriously, and the results are reported to the Chief Executive and Executive Management Team, with each area of the business developing action plans to deliver improvements where they are required.

We launched a recognition programme in FirstPort during the year that has been hugely successful, with 874 nominations between July and December, two-thirds of which came from our customers, and 359 nominees going on to win an award.

This award is offered by a company called WOW! and every nomination is independently vetted by their panel of judges. The WOW! Awards are the only national awards that recognise excellent customer service based purely on customer and colleague nominations. They provide an opportunity for us to celebrate the good work that we do for our residents and each other – as told by our residents and customers or by a colleague.

FirstPort retained its Investors in People accreditation.

### **Ethical standards and principles**

Ethics and transparency are the cornerstones of our corporate principles. We have strong corporate policies and safeguards in place and a history of abiding by and promoting high ethical standards. All employees are responsible for adhering to the business practices that follow the letter and spirit of the law, as well as our Code of Conduct, that reflects the highest standards of corporate and individual behaviour.

### **Charity and community**

We have a responsibility to positively affect the quality of life of our employees, their families and the communities in which we operate. We continue to support and encourage everyone who is involved with both local and national charities and welfare initiatives.

# FIRSTPORT PROPERTY SERVICES LIMITED

## STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

### Principal Risks & Uncertainties

Risk	Risk Description	Mitigation
Economic risks and changes in market dynamics	Failure to respond effectively to developments in the broader economy, competition and other market or fiscal dynamics	<ul style="list-style-type: none"> <li>Resilient business model</li> <li>Significant experience and expertise in chosen markets</li> <li>Frequent review of competition</li> <li>Market insight and intelligence</li> </ul>
Financial management	Failure to maintain appropriate financial controls throughout the business, including the management of credit risk, fraud risk and taxation	<ul style="list-style-type: none"> <li>Experienced finance team</li> <li>Financial control environment</li> <li>Close monitoring of financial performance and credit risk by senior management</li> <li>Board oversight of financial performance</li> </ul>
Systems dependence and business continuity	The risk associated with the delivery and future-proofing of our technology, including the potential impact of business interruption through systems and facilities	<ul style="list-style-type: none"> <li>Investment in appropriate technology and staff</li> <li>IT governance structure</li> <li>IT resilience and disaster recovery plans designed to restore service</li> <li>Business continuity plan for each business operational office</li> </ul>
Legal and regulatory compliance	The risk of failing to comply with relevant laws, regulations and standards	<ul style="list-style-type: none"> <li>Employment of qualified advisors both internally and externally who report regularly to the Board about all significant legislative changes in the UK</li> <li>Development of internal policies and procedures to ensure adequate capture of legal and regulatory compliance issues</li> <li>Training programmes for staff</li> </ul>
People risk	The risk that we fail to attract and retain high calibre employees in order to deliver on all aspects of our strategy	<ul style="list-style-type: none"> <li>HR strategy encompassing recruitment, reward, retention, talent development and performance management</li> <li>Succession planning for middle and senior management</li> </ul>
Data security and protection	The risk of the loss of customer or employee data	<ul style="list-style-type: none"> <li>Information security policies encompassing data protection</li> <li>Investment in appropriate technology and staff</li> <li>IT governance structure</li> </ul>
Health and safety ("H&S")	The risk of breaches of H&S legislation resulting in workplace injuries, environmental damage or physical damage to property leading to financial penalties, reputational damage and delays to site related activities	<ul style="list-style-type: none"> <li>Dedicated H&amp;S team managed independently from operational businesses under guidance of H&amp;S Director</li> <li>Robust H&amp;S culture with safety risk register</li> <li>Monitoring and reporting of accidents and near misses</li> </ul>
Contract retention	The risk associated to the dependency on key client contracts and the loss of contracts	<ul style="list-style-type: none"> <li>Delivery of high-quality customer service</li> <li>Maintaining a regular dialogue with individual and business customers.</li> <li>Commitment to the principles set out in its Customer Charter</li> <li>New contract assessment considering the business's core skills and our established supply chain</li> </ul>
Reputation	The risk of damage to brand name or reputation either through our people, our behaviours or third parties acting on our behalf	<ul style="list-style-type: none"> <li>Improvement in customer service and clear complaints processes reduce the risk of issues escalating</li> <li>Monitoring and responding to customer feedback</li> </ul>

# FIRSTPORT PROPERTY SERVICES LIMITED

## STRATEGIC REPORT (CONTINUED)

*FOR THE YEAR ENDED 31 DECEMBER 2015*

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### Governance and risk management

#### The Board and management team

FirstPort Property Services Limited has a board comprising of three directors and is ultimately owned and controlled by Knight Square Holdings Limited ("the Group"). The Group has policies in place that are applicable and adhered to by the company.

The company's board meets approximately ten times per annum. Health and safety performance, any accidents, and lessons from any near-miss events are reviewed and considered at Board meetings.

#### Internal Control and Risk Management

The Group's approach to internal audit is to agree a risk framework which is reviewed at Board meetings along with mitigating strategies and the latest status of the risks. KPMG provides internal audit support as required to plan and implement audit procedures to address those risk areas identified by the Board as part of its risk review. The Group also maintains and monitors a set of detailed policy documents across all areas of operations. Key areas in which such policies exist include health and safety, procurement, finance and governance (including competition and bribery).

#### External auditors

PricewaterhouseCoopers LLP act as external auditors of the company. The performance of the auditors is overseen by the Audit Committee of the Group.

#### Financial Risk Management

The company's operations expose it to a variety of financial risks that include the effects of credit, liquidity and cashflow risk. The company has in place robust controls that seek to limit the adverse effects in the financial performance of the company by monitoring potential financial risks to which the company is subject.

The company has a large base of UK residential customers which reduces the concentration of credit risk. Where we transact with corporate customers, credit control teams exist with strict processes being operated to manage and mitigate the risk of non-payment of charges.

The company is part of the Knight Square group's cash management and forecasting processes which are in place to manage cashflow and liquidity within the existing Group financing arrangements.

### Approval of Strategic Report

This Annual Report comprises a strategic report for the company which has been drawn up and presented in accordance with, and in reliance upon, applicable English company law, in particular Chapter 4A of the Companies Act 2006, and the liabilities of the directors in connection with this report shall be subject to the limitations and restrictions provided by such law.

Approved by the Board of Directors and signed on behalf of the Board.



O Saleh  
Director

22 August 2016



# FIRSTPORT PROPERTY SERVICES LIMITED

## DIRECTORS' REPORT

*FOR THE YEAR ENDED 31 DECEMBER 2015*

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

### Principal activities

The principal activity of the company is the provision of residential property management and related services within the UK. The company forms part of the FirstPort division of Knight Square Holdings Limited (the "Group").

### Directors

The directors who held office during the year and up to the date of signing the financial statements were as follows:

J E Entwistle	(Resigned 19 February 2015)
O Saleh	
N Howell	
C Banwell-Spencer	(Resigned 1 July 2015)
R Tillison	(Appointed 1 July 2015)

### Results and dividends

The results for the year are set out in the profit and loss account on page 10.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend (2014: £nil).

### Going concern

Refer to the accounting policies (note 1.4) for a review of going concern.

### Employees

Information on employees is included in the Strategic report on page 2.

### Future developments

The future developments of the business are discussed in the Strategic report on page 2.

### Financial risk management

Information on financial risk management is included in the Strategic report on page 5.

### Directors' insurance

The company maintains insurance policies on behalf of all the directors against liability arising from negligence, breach of duty and breach of trust in relation to the company.

# FIRSTPORT PROPERTY SERVICES LIMITED

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2015**

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### 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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising Financial Reporting Standard 102 "The Financial Reporting Standard Applicable in the UK and Republic of Ireland" (FRS 102), 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;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of financial statements; and
- 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.

### Statement of disclosure of information to auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors individually 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.

On behalf of the board



O Saleh

Director

22 August 2016

# FIRSTPORT PROPERTY SERVICES LIMITED

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF FIRSTPORT PROPERTY SERVICES LIMITED

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## Report on the financial statements

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### Our opinion

In our opinion, FirstPort Property Services Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2015 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.
- 

### What we have audited

The financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), comprise:

- the balance sheet as at 31 December 2015;
- the profit and loss account and statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

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

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In our opinion, 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.

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## Other matters on which we are required to report by exception

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### Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

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### Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

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# FIRSTPORT PROPERTY SERVICES LIMITED

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF FIRSTPORT PROPERTY SERVICES LIMITED (CONTINUED)

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## Responsibilities for the financial statements and the audit

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### Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 7, 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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### What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

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.



Tim Broadway (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
St Albans

22 August 2016

# FIRSTPORT PROPERTY SERVICES LIMITED

## PROFIT AND LOSS ACCOUNT AND STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2015

### PROFIT AND LOSS ACCOUNT

	Note	2015 £	2014 £
Turnover	3	17,529,685	16,243,239
Administrative expenses		(13,219,517)	(14,692,974)
Exceptional items	4	(638,233)	(1,840,818)
<b>Operating profit / (loss)</b>	5	3,671,935	(290,553)
Interest receivable and similar income		1,815	9,078
<b>Profit / (loss) on ordinary activities before taxation</b>		3,673,750	(281,475)
Tax on profit on ordinary activities	8	(31,017)	(10,157)
<b>Profit / (loss) for the financial year</b>		3,642,733	(291,632)

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

### STATEMENT OF COMPREHENSIVE INCOME

	2015 £	2014 £
Profit / (loss) for the financial year	3,642,733	(291,632)
Other comprehensive income	-	-
<b>Total comprehensive income / (expense) for the year</b>	3,642,733	(291,632)

# FIRSTPORT PROPERTY SERVICES LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2015

	Note	2015 £	£	2014 £	£
<b>Fixed assets</b>					
Tangible assets	9		162,904		267,495
<b>Current assets</b>					
Debtors	10	9,278,686		8,319,050	
Cash at bank and in hand		184,948		726,954	
		<u>9,463,634</u>		<u>9,046,004</u>	
<b>Creditors: amounts falling due within one year</b>	11	<u>(3,575,535)</u>		<u>(6,624,888)</u>	
Net current assets			5,888,099		2,421,116
<b>Total assets less current liabilities</b>			6,051,003		2,688,611
<b>Provisions for liabilities</b>	13		(905,894)		(1,186,235)
<b>Net assets</b>			<u>5,145,109</u>		<u>1,502,376</u>
<b>Capital and reserves</b>					
Called up share capital	16		100		100
Profit and loss account			5,145,009		1,502,276
<b>Total equity - wholly attributable to the owners of the parent</b>			<u>5,145,109</u>		<u>1,502,376</u>

The notes on pages 13 to 27 are an integral part of the financial statements.

The financial statements on pages 10 to 27 were approved by the board of directors and authorised for issue on 22.08.2016 and are signed on its behalf by:



O Saleh  
Director

Company Registration No. 02061041

# FIRSTPORT PROPERTY SERVICES LIMITED

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2015

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	Called up share capital £	Profit and loss account £	Total equity £
<b>Balance at 1 January 2014</b>	100	1,793,908	1,794,008
<b>Year ended 31 December 2014:</b>			
Total comprehensive expense for the year	-	(291,632)	(291,632)
<b>Balance at 31 December 2014</b>	100	1,502,276	1,502,376
<b>Year ended 31 December 2015:</b>			
Total comprehensive income for the year	-	3,642,733	3,642,733
<b>Balance at 31 December 2015</b>	100	5,145,009	5,145,109

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# FIRSTPORT PROPERTY SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

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### 1 Accounting policies

#### General information

FirstPort Property Services Limited is a limited company domiciled and incorporated in England and Wales. The registered office is Queensway House, 11 Queensway, New Milton, Hampshire, United Kingdom, BH25 5NR.

The company provides residential property management and related services within the UK.

#### 1.1 Statement of compliance

These financial statements have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

#### 1.2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

These policies have been consistently applied to all the years presented, unless otherwise stated. The company has adopted FRS 102 for the first time in these financial statements.

#### 1.3 Basis of preparation

These financial statements are prepared on a going concern basis and under the historical cost convention. The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

#### 1.4 Going concern

The company is funded via the Knight Square group's bank facilities and therefore manages its day-to-day working capital requirements in line with the Group's facilities. The ability of the group to service its debt obligations is critical to the ongoing trading of the business and we have considered the key factors that could have an impact on trading and whether an adverse change in these factors could affect our ability to meet our liabilities. The Group has a considerable number of on-going management contracts and accordingly the forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of its current facilities.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and for at least the period of twelve months following the date of approval of these financial statements. The company therefore continues to adopt the going concern basis in preparing its financial statements.



# FIRSTPORT PROPERTY SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

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### 1 Accounting policies

(Continued)

#### 1.5 Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the company's shareholders. The company has taken advantage of the following exemptions:

(i) from preparing a statement of cash flows required under FRS 102 paragraph 3.17(d), on the basis that it is a qualifying entity and a consolidated statement of cash flows is included in the consolidated financial statements of the company's ultimate parent, Knight Square Holdings Limited, which includes any cash flows of the company;

(ii) from the financial instrument disclosures, required under FRS 102 paragraphs 11.39 to 11.48A and paragraphs 12.26 to 12.29, as the information, to the extent required, is provided in the consolidated financial statement disclosures of Knight Square Holdings Limited;

(iii) from disclosing the company key management personnel compensation, required by FRS 102 paragraph 33.7, as the information is provided in the consolidated financial statement disclosures of Knight Square Holdings Limited; and

(iv) from disclosing related party transactions, required under FRS 102 paragraph 33.9, on the basis that Knight Square Holdings Limited has control, joint control or significant influence over both the company and the related entities.

#### 1.6 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied or services rendered, net of discounts and rebates allowed by the company and value added taxes.

*The company recognises revenue when (a) the significant risks and rewards of ownership have been transferred to the buyer; (b) the company retains no continuing involvement in or control over the goods; (c) the amount of revenue can be measured reliably; (d) it is probable that future economic benefits will flow to the entity and (e) when the specific criteria relating to the type of revenue have been met as described below.*

##### (i) Residential property management services

Fees for residential property management services, including maintenance, are recognised as the company's obligations under the applicable contracts are delivered to the customer which is typically on a straight line basis over the period of the contract.

#### 1.7 Exceptional items

The company classifies certain non-recurring charges or credits that have a material impact on the company's financial results as 'exceptional items'. These are disclosed separately to provide further understanding of the financial performance of the company.

# FIRSTPORT PROPERTY SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

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### 1 Accounting policies

(Continued)

#### 1.8 Employee benefits

The company provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined contribution pension plans.

##### (i) Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received. An accrual is recognised at the balance sheet date for any material remaining obligations to employees.

##### (ii) Defined contribution pension plans

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 when they are payable in accordance with the rules of the scheme. Amounts due but not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

##### (iii) Annual bonus plan

The company operates annual bonus plans for employees. An expense is recognised in the profit and loss account when the company has a legal or constructive obligation to make payments under the plans as a result of past events and a reliable estimate of the obligation can be made.

# FIRSTPORT PROPERTY SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

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### 1 Accounting policies

(Continued)

#### 1.9 Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity in which case the related tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred tax assets and liabilities are not discounted.

##### (i) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

##### (ii) Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is also recognised in relation to assets and liabilities acquired in a business combination where the amount that will be deducted or assessed for tax differs to the fair value at which the asset or liability is recognised on acquisition in the financial statements. The tax base of an asset or liability is determined based on the expected manner of recovery.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax assets and liabilities arise from income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an ability and intention to settle the balances at the same time.

# FIRSTPORT PROPERTY SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

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### 1 Accounting policies

(Continued)

#### 1.10 Tangible assets

Tangible assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs.

Depreciation is calculated, using the straight-line method, to allocate the depreciable amount to their residual values over their estimated useful lives, as follows:

Office fixtures and fittings	Straight line over three to five years
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The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

Subsequent costs, including major inspections, are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that economic benefits associated with the item will flow to the company and the cost can be measured reliably.

Repairs, maintenance and minor inspection costs are expensed as incurred.

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the profit and loss account and included in other operating income.

#### 1.11 Leased assets

At inception the company assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

Leases that do not transfer substantially all the risks and rewards of ownership are classified as operating leases. All of the company's arrangements are operating leases. Payments under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease.

Incentives received to enter into an operating lease are credited to the profit and loss account, to reduce the lease expense, on a straight-line basis over the period of the lease.

# FIRSTPORT PROPERTY SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

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### 1 Accounting policies

(Continued)

#### 1.12 Impairment of non-financial assets

At each balance sheet date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset (or asset's cash generating unit) may be impaired. If there is such an indication the recoverable amount of the asset (or asset's cash generating unit) is compared to the carrying amount of the asset (or asset's cash generating unit).

The recoverable amount of the asset (or asset's cash generating unit) is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's (or asset's cash generating unit) continued use. These cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset (or asset's cash generating unit) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the profit and loss account.

If an impairment loss is subsequently reversed, the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the profit and loss account.

#### 1.13 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks and bank overdrafts.

#### 1.14 Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably. Provisions are measured based on the company's best estimate at the reporting date of the expenditures expected to be required to settle the obligation discounted to the present value, where material.

# FIRSTPORT PROPERTY SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

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### 1 Accounting policies

(Continued)

#### 1.15 Financial instruments

The company has elected to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

##### (i) Financial assets

Basic financial assets, including trade and other receivables, and cash and bank balances, are initially recognised at transaction price. At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment with any impairment being charged to profit and loss. If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. Financial assets are derecognised when the contractual rights to the cash flows from the asset expire or are settled, or substantially all the risks and rewards of the ownership of the asset are transferred to another party.

##### (ii) Financial liabilities

Basic financial liabilities, including trade and other payables, bank and shareholder loans, amounts owed to fellow Group companies and bank overdrafts, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

##### (iii) Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally 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.

##### (iv) Client monies held

The property management services performed by the company include services provided to residential management companies and which involve arranging and holding cash from levies and charges paid by residents to the residential management companies. The cash held at any point in time is held under Statutory Trust as set out in the Landlord & Tenant Act 1987. Accordingly, the company does not include these cash balances in its balance sheet.

#### 1.16 Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds.

#### 1.17 Related parties

The company discloses transactions with related parties not wholly owned by Knight Square Holdings Limited. It does not disclose transactions with other group companies wholly owned by Knight Square Holdings Limited.

# FIRSTPORT PROPERTY SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

### 2 Critical accounting judgements and estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### (a) Critical accounting judgements in applying the company's accounting policies

There are no areas within the financial statements where management has been required to apply a critical judgment.

#### (b) Key accounting estimates and assumptions

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

##### (i) Development related provisions

The company manages a large number of commercial and residential property developments, which give rise to some disputes and claims by customers under the management contracts that govern them. These claims can take many years to emerge, so management considers it appropriate to recognise a provision. These provisions require management's best estimate of the costs that will be incurred based on legislative and contractual requirements. In addition, the timing of the cash flows and the discount rates used to establish net present value of the obligations require management's judgement.

##### (ii) Deferred tax assets

The recognition of deferred tax assets, particularly relating to previously incurred losses, requires judgement, including in relation to the future taxable profits of the entities that incurred the losses, the types of losses and future income, the utilisation of capital allowances in any year, and the extent of group relief transfers to be made across the Group.

### 3 Turnover

The company's turnover is all derived from its principal activity in the UK, that being residential property management services.

### 4 Exceptional items

	2015 £	2014 £
Restructuring costs	638,233	1,840,818

Exceptional charges relate to business review and improvement costs, legal fees and other costs including redundancy and other staff related costs associated with the restructuring of the Knight Square Holdings Limited group of companies.

# FIRSTPORT PROPERTY SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

### 5 Operating profit / (loss)

	2015 £	2014 £
Operating profit / (loss) for the year is stated after charging:		
Depreciation of tangible assets	156,859	313,366
Operating lease charges	261,571	396,071

The cost of auditing these financial statements for the year was £11,750 (2014: £7,370). These costs have been borne by Knight Square Limited.

There were no non-audit costs in the year (2014: £nil).

### 6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2015 Number	2014 Number
Office and management	79	275
House managers and relief	404	429
	483	704

Their aggregate remuneration comprised:

	2015 £	2014 £
Wages and salaries	3,631,586	5,667,958
Social security costs	340,994	466,094
Other pension costs	69,944	84,149
	4,042,524	6,218,201

House managers are employed by the company to oversee individual developments managed by the company. The employment cost of house managers is not included in the above table as these costs are recharged at cost to the developments managed by the company and therefore are not a cost to the company on account of the company being an agent for this transaction. These amounted to wages and salary costs of £8,285,342 (2014: £8,657,728) social security costs of £700,159 (2014: £730,133) and other pension costs of £26,455 (2014: £19,986).



# FIRSTPORT PROPERTY SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

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### 7 Directors' remuneration

	2015 £	2014 £
Aggregate emoluments	124,332	133,060
	<u>124,332</u>	<u>133,060</u>

The number of directors for whom retirement benefits are accruing under defined benefit schemes amounted to nil (2014: nil).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2015 £	2014 £
Aggregate emoluments	72,186	133,060
	<u>72,186</u>	<u>133,060</u>

Two directors (2014: one director) were paid by the company, including one director who resigned during the year. The remaining directors are remunerated by FirstPort Limited and Knight Square Limited as their services to the company are merely incidental to their employment in other Knight Square group companies.

# FIRSTPORT PROPERTY SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

### 8 Tax on profit / (loss) on ordinary activities

	2015 £	2014 £
<b>Current tax</b>		
UK corporation tax on profit / (loss) for the current period	-	-
Total current tax	-	-
<b>Deferred tax</b>		
Origination and reversal of timing differences	16,799	10,915
Effects of changes in tax rates and laws	14,536	(758)
Adjustments in respect of prior periods	(318)	-
Total deferred tax	31,017	10,157
Total tax charge for the year	31,017	10,157

The charge for the year can be reconciled to the profit/(loss) per the profit and loss account as follows:

	2015 £	2014 £
Profit / (loss) on ordinary activities before taxation	3,673,750	(281,475)
Expected tax charge based on a corporation tax rate of 20.25% (2014: 21.50%)	743,934	(60,517)
Non deductible expenses	48,914	12,811
Utilisation of tax losses not previously recognised	(593,896)	-
Adjustments in respect of prior periods	(318)	-
Effect of changes in tax rates and laws	14,536	(739)
Group relief	(198,813)	218,382
Transfer pricing adjustments	16,660	(159,780)
Total tax charge for the year	31,017	10,157

From 1 April 2015, the UK corporation tax rate reduced from 21% to 20%. In October 2015, the UK corporation tax rate for the financial year commencing 1 April 2017 was set at 19% and for the financial year commencing on 1 April 2020 was set at 18%. Deferred tax balances at 31 December 2015 were measured at 20% (2014: 20.25%) for items that are expected to be charged or credited to the profit and loss account in the next financial year.

# FIRSTPORT PROPERTY SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

### 9 Tangible assets

#### Office fixtures and fittings

	£
<b>Cost</b>	
At 1 January 2015	3,755,124
Additions	52,268
At 31 December 2015	3,807,392
<b>Accumulated depreciation</b>	
At 1 January 2015	3,487,629
Amortisation charged for the year	156,859
At 31 December 2015	3,644,488
<b>Carrying amount</b>	
At 31 December 2015	162,904
At 31 December 2014	267,495

### 10 Debtors

	2015 £	2014 £
Trade debtors	535,607	196,064
Deferred tax asset (note 14)	280,127	311,144
Amounts due from fellow group undertakings	7,755,829	7,124,125
Other debtors	568,747	565,457
Prepayments and accrued income	138,376	122,260
	<u>9,278,686</u>	<u>8,319,050</u>

Amounts due from Group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

# FIRSTPORT PROPERTY SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

### 11 Creditors: amounts falling due within one year

	2015 £	2014 £
Trade creditors	72,683	354,181
Amounts due to fellow group undertakings	2,493,796	5,361,469
Other taxation and social security	824,612	651,119
Other creditors	-	28,110
Accruals and deferred income	184,444	230,009
	<u>3,575,535</u>	<u>6,624,888</u>

Amounts due to fellow Group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

### 12 Client Monies

Residents' net cash balances held in client bank accounts with The Royal Bank of Scotland at 31 December 2015 were £83,786,227 (2014: £78,666,826). The client bank accounts are held by way of Statutory Trust on behalf of the properties managed and are not available to the company.

### 13 Provisions for liabilities

	2015 £	2014 £
Development related provisions	<u>905,894</u>	<u>1,186,235</u>

Movements on provisions:

	£
At 1 January 2015	1,186,235
Additional provisions in the year	240,325
Utilisation of provision	(520,666)
At 31 December 2015	<u>905,894</u>

The company manages a large number of residential property developments, which give rise to some disputes and claims by customers under the management contracts that govern them. These claims can take many years to emerge, so management considers it appropriate to recognise a provision. These provisions require management's best estimate of the costs that will be incurred based on legislative and contractual requirements. In addition, the timing of the cash flows and the discount rates used to establish net present value of the obligations require management's judgement.

Whilst significant progress has been made in addressing these claims, and management continue to assess them on their merits, a provision of £905,894 has been recognised at the year end (2014: £1,186,235). This is expected to be utilised over a period of up to five years, with an estimated £300,000 (2014: £520,666) expected to be settled within the next financial year.

# FIRSTPORT PROPERTY SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

### 14 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is an analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Asset 2015 £	Asset 2014 £
Fixed asset timing differences	280,127	311,144
	<u>280,127</u>	<u>311,144</u>
<b>Movements in the year:</b>		<b>2015 £</b>
Asset at 1 January 2015		311,144
Charge to profit and loss		(31,335)
Adjustment in respect of prior years		318
Asset at 31 December 2015		<u>280,127</u>

The company has an unrecognised deferred tax asset of £nil (2014: £586,564).

The net deferred tax asset expected to be utilised in 2016 is £280,127. This primarily relates to the unwinding of timing differences on capital allowances.

### 15 Retirement benefit schemes

#### Defined contribution schemes

The company operates a defined contribution scheme for all qualifying employees.

The charge to profit and loss in respect of the defined contributon scheme was £69,944 (2014: £84,149).

### 16 Share capital

	2015 £	2014 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
100 (2014: 100) shares of £1 each	100	100
	<u>100</u>	<u>100</u>

### 17 Contingent liabilities

The company is party to a composite mortgage debenture secured over all of its assets in favour of the Royal Bank of Scotland. The borrower is Knight Square Limited, a fellow group company. The loan and deferred interest payable outstanding in the books of Knight Square Limited at the Balance Sheet date was £29,500,000 (2014: £33,315,000) and £94,485 (2014: £200,438) respectively.

A number of bank accounts maintained for developments under management were overdrawn at 31 December 2015 amounting to £1,413 (2014: £46,188). The group has given unlimited guarantees on these amounts in the event of default.

# FIRSTPORT PROPERTY SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

### 18 Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2015 £	2014 £
Within one year	317,819	210,695
Between two and five years	676,296	699,712
	<u>994,115</u>	<u>910,407</u>

### 19 Controlling party

The immediate parent undertaking is Knight Square Limited.

The ultimate parent undertaking and controlling party of the company is Knight Square Holdings Limited, a company registered in England and Wales under registration number 07925023 which is the smallest and largest group for which group financials are prepared and are available to the public and may be obtained from Companies House, Crown Way, Maindy, Cardiff, CF4 3UZ.

### 20 Related party transactions

There are no transactions with related parties not wholly owned by the group headed by Knight Square Holdings Limited.

The company is exempt from disclosing other related party transactions as they are with other companies that are wholly owned by the group headed by Knight Square Holdings Limited.

### 21 Transition to FRS 102

This is the first year that the company has presented its financial statements under FRS 102. The last financial statements under UK GAAP were for the year ended 31 December 2014. The date of transition to FRS 102 was 1 January 2014.

The details of the basis of preparation, accounting policies applied and the qualifying exemptions utilised are included in note 1.

The transition to FRS 102 has had no effect on the profit and loss account, net assets or equity.