

Simpsons Mortgage Services Limited

Annual Report and Financial Statements

For the year ended 30 April 2018

Company Registration No. 02708103 (England and Wales)

Simpsons Mortgage Services Limited

Company Information

Directors	J. St. P. Slatter A. C. Dewar C. S. Pain
Secretary	J. St. P. Slatter
Company number	02708103
Registered office	Betchworth House 57-65 Station Road Redhill Surrey RH1 1DL
Auditors	Kingston Smith LLP Betchworth House 57-65 Station Road Redhill Surrey RH1 1DL
Business address	Wix Hill House Epsom Road West Horsley Surrey KT24 6DY

Simpsons Mortgage Services Limited

Directors' Report

For the year ended 30 April 2018

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

Principal activities

The principal activity of the company throughout the year continued to be that of the provision of financial services trading under the name of 'Curchods Mortgage Services'.

Directors

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

J. St. P. Slatter

A. C. Dewar

C. S. Pain

Auditor

The auditors, Kingston Smith LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to auditor

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 auditor is 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 auditor is aware of that information.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board

A. C. Dewar

Director

22 August 2018

Simpsons Mortgage Services Limited

Directors' Responsibilities Statement

For the year ended 30 April 2018

The directors are responsible for preparing the annual 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.

Simpsons Mortgage Services Limited

Independent Auditor's Report

To the Members of Simpsons Mortgage Services Limited

Opinion

We have audited the financial statements of Simpsons Mortgage Services Limited (the 'company') for the year ended 30 April 2018 which comprise the Statement of Income and Retained Earnings, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 2018 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.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

Simpsons Mortgage Services Limited

Independent Auditor's Report (Continued)

To the Members of Simpsons Mortgage Services Limited

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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 in preparing the Directors' Report and take advantage of the small companies exemption from the requirement to prepare a Strategic Report.

Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Simpsons Mortgage Services Limited

Independent Auditor's Report (Continued)

To the Members of Simpsons Mortgage Services Limited

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken for no purpose other than to draw to the attention of the company's members those matters we are required to include in an auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the company and the company's members as a body, for our work, for this report, or for the opinions we have formed.

Paul Samrah (Senior Statutory Auditor)
for and on behalf of Kingston Smith LLP

28 August 2018

Chartered Accountants
Statutory Auditor

Betchworth House
57-65 Station Road
Redhill
Surrey
RH1 1DL

Simpsons Mortgage Services Limited

Statement of Income and Retained Earnings

For the year ended 30 April 2018

	Notes	2018 £	2017 £
Turnover		1,458,002	1,209,276
Cost of sales		(26,943)	(33,437)
Gross profit		1,431,059	1,175,839
Administrative expenses		(1,133,078)	(1,030,406)
Other operating income		1,300	5,515
Operating profit	2	299,281	150,948
Interest receivable and similar income		75	231
Profit before taxation		299,356	151,179
Taxation	5	(56,750)	(30,458)
Profit for the financial year		242,606	120,721
Total comprehensive income for the year		242,606	120,721
Retained earnings at 1 May 2017		67,197	76,476
Dividends		(240,000)	(130,000)
Retained earnings at 30 April 2018		69,803	67,197

Simpsons Mortgage Services Limited

Balance Sheet

As at 30 April 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Tangible assets	6		4,988		3,690
Current assets					
Debtors	7	224,900		36,452	
Cash at bank and in hand		68,955		198,415	
		<u>293,855</u>		<u>234,867</u>	
Creditors: amounts falling due within one year	8	<u>(197,450)</u>		<u>(127,697)</u>	
Net current assets			96,405		107,170
Total assets less current liabilities			101,393		110,860
Provisions for liabilities	9		<u>(31,490)</u>		<u>(43,563)</u>
Net assets			<u>69,903</u>		<u>67,297</u>
Capital and reserves					
Called up share capital	11		100		100
Profit and loss reserves			69,803		67,197
Total equity			<u>69,903</u>		<u>67,297</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 22 August 2018 and are signed on its behalf by:

A. C. Dewar
Director

Company Registration No. 02708103

Simpsons Mortgage Services Limited

Notes to the Financial Statements

For the year ended 30 April 2018

1 Accounting policies

Company information

Simpsons Mortgage Services Limited is a private company limited by shares incorporated in England and Wales. The registered office is Betchworth House, 57-65 Station Road, Redhill, Surrey, RH1 1DL.

1.1 Accounting convention

These financial statements have been prepared in accordance with Section 1A of FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound.

The financial statements have been prepared on the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Turnover

Turnover represents the commissions received from finance companies. Fees arose wholly within the United Kingdom and are recognised when received. A provision is made in respect of clawback for policies which might subsequently fall through, on the basis of experience in recent years.

1.3 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings leasehold	equal instalments over the period of the lease
Fixtures, fittings and equipment	20% per annum on a straight line basis
Computer equipment	33 1/3% per annum on a straight line basis

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.4 Cash and cash equivalents

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.5 Financial instruments

The company only has basic financial instruments measured at amortised cost, with no financial instruments classified as 'other' or basic instruments measure at fair value.

1.6 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Simpsons Mortgage Services Limited

Notes to the Financial Statements (Continued)

For the year ended 30 April 2018

1 Accounting policies

(Continued)

1.7 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

1.8 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

1.9 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.10 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.11 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to expenditure on a straight line basis over the term of the relevant lease.

Simpsons Mortgage Services Limited

Notes to the Financial Statements (Continued)

For the year ended 30 April 2018

2 Operating profit

	2018 £	2017 £
Operating profit for the year is stated after charging:		
Fees payable to the company's auditors for the audit of the company's financial statements	7,200	6,600
	<u>7,200</u>	<u>6,600</u>

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was 15 (2017 - 14).

4 Directors' remuneration

	2018 £	2017 £
Remuneration paid to directors	103,000	103,000
	<u>103,000</u>	<u>103,000</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2017 - 1).

5 Taxation

	2018 £	2017 £
Current tax		
UK corporation tax on profits for the current period	56,750	30,458
	<u>56,750</u>	<u>30,458</u>

Simpsons Mortgage Services Limited

Notes to the Financial Statements (Continued)

For the year ended 30 April 2018

6 Tangible fixed assets

	Land and buildings leasehold £	Computer equipment £	Total £
Cost			
At 1 May 2017	5,647	61,276	66,923
Additions	-	3,776	3,776
At 30 April 2018	5,647	65,052	70,699
Depreciation and impairment			
At 1 May 2017	5,647	57,586	63,233
Depreciation charged in the year	-	2,478	2,478
At 30 April 2018	5,647	60,064	65,711
Carrying amount			
At 30 April 2018	-	4,988	4,988
At 30 April 2017	-	3,690	3,690

7 Debtors

	2018 £	2017 £
Amounts falling due within one year:		
Amounts due from group undertakings	224,900	35,127
Other debtors	-	1,325
	224,900	36,452

8 Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	9,782	6,263
Corporation tax	18,673	15,249
Other creditors	168,995	106,185
	197,450	127,697

Simpsons Mortgage Services Limited

Notes to the Financial Statements (Continued)

For the year ended 30 April 2018

9 Provisions for liabilities

	2018 £	2017 £
Clawback provision	31,490	43,563
	<u> </u>	<u> </u>
Movements on provisions:	Clawback provision	Total
	£	£
At 1 May 2017	43,563	43,563
Additional provisions in the year	26,943	26,943
Utilisation of provision	(39,016)	(39,016)
	<u> </u>	<u> </u>
At 30 April 2018	31,490	31,490
	<u> </u>	<u> </u>

A provision is made in respect of clawback for policies which might subsequently fall through, on the basis of experience in recent years.

10 Retirement benefit schemes

Defined contribution schemes

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £13,538 (2017 - £13,212).

11 Called up share capital

	2018 £	2017 £
Ordinary share capital		
Issued and fully paid		
100 Ordinary shares of £1 each	100	100
	<u> </u>	<u> </u>

12 Operating lease commitments

Lessee

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:

	2018 £	2017 £
Within one year	301	1,204
Between two and five years	-	301
	<u> </u>	<u> </u>
	301	1,505
	<u> </u>	<u> </u>

Simpsons Mortgage Services Limited

Notes to the Financial Statements (Continued)

For the year ended 30 April 2018

13 Related party transactions

The company incurred a management fee payable to its immediate parent company, Simpsons Estate Agents Limited, amounting to £105,600 (2017: £96,000).

The company paid rent, at arms length, to its immediate parent company, Simpsons Estate Agents Limited, amounting to £38,033 (2017: £38,033).

At the year end an amount of £224,900 was due from (2017: £35,127) the immediate parent company.

14 Parent company

The ultimate parent company is Toptrad Limited, a company registered in Jersey. The controlling party is the immediate parent company, Simpsons Estate Agents Limited, a company registered in England and Wales.

The largest and smallest group in which the results of the company are consolidated is that headed by Simpsons Estate Agents Limited, incorporated in England and Wales. The consolidated accounts of this company are available to the public and may be obtained from Companies House. No other group accounts include the results of the company.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.