

Company Registration No. 02726296

Alexander Hall Associates Limited

Annual Report and Financial Statements

For year ended 31 December 2017



Alexander Hall Associates Limited

Annual report and financial statements 2017

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Alexander Hall Associates Limited

Annual report and financial statements 2017

Company information

Directors

M Bogard
V Vaja
D Lawson-Shah
D Scott

Company Secretary

V Vaja

Registered Office

Building One
Chiswick Park
566 Chiswick High Road
London
W4 5BE
United Kingdom

Registered Number

02726296 (England and Wales)

Auditor

Deloitte LLP
Statutory Auditor
London
United Kingdom

Alexander Hall Associates Limited

Directors' report

The directors present their annual report with the audited financial statements of the company for the year ended 31 December 2017.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies. The directors have taken advantage of section 414B whereby the company is exempt from preparing a strategic report.

Principal activity

The principal activity of the company in the year under review was that of mortgage brokers.

Dividends

Dividends of £1,200k were declared in the year ended 31 December 2017 31 December 2016 (2016: £1,000k). No further dividends have been proposed.

Directors

The directors shown below have held office during the whole of the period from 1 January 2017 to the date of this report.

M Bogard
V Vaja
D Lawson-Shah
D Scott

The following directors resigned from 1 January 2017 to the date of this report:

R Merrett resigned on 22 November 2017

No new appointments have been made during the period.

Going concern

The directors continue to adopt the going concern basis in preparing the financial statements. See note 2 for further information.

Future developments

The company will continue to operate in this capacity going forward.

Financial risk management objectives and policies

The company's principal financial instruments comprise bank balances, trade creditors and trade debtors which are a normal part of any companies operations.

Due to the nature of the financial instruments used by the company there is no exposure to price risk. The company's approach to managing other risks applicable to the financial instruments concerned is shown below.

Trade debtors are managed in respect of cash flow risk by policies concerning the regular monitoring of amounts outstanding. Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

Statement as to disclosure of information to auditors

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditor is unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Alexander Hall Associates Limited

Directors' report (continued)

Auditor

The auditor, Deloitte LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved on behalf of the Board:



.....
V Vaja
Director

Date: 24/9/18

Alexander Hall Associates Limited

Directors' responsibilities statement

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), including FRS 101 "Reduced Disclosure Framework". 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; 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.

Independent auditor's report to the members of Alexander Hall Associates Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Alexander Hall Associates Limited (the 'company') which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity; and
- the related notes 1 to 17.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

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 are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in 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.

We have nothing to report in respect of these matters.

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 respect of these matters.

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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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 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.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

- 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; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

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 any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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.
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing a strategic report.

We have nothing to report in respect of these matters.

Claire Faulkner

Claire Faulkner (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom

Date: *26 September 2018*

Alexander Hall Associates Limited

Statement of comprehensive income For the year ended 31 December 2017

	Notes	2017 £'000	2016 £'000
Continuing operations			
Revenue	3	8,751	8,851
Administrative expenses		(7,062)	(7,491)
Operating profit		1,689	1,360
Finance income	5	7	8
Profit before tax	6	1,696	1,368
Tax	7	(332)	(101)
Profit and total comprehensive income for the year		1,364	1,267

Turnover and operating profit are all derived from continuing operations

The notes form part of these financial statements.

Alexander Hall Associates Limited

Statement of financial position As at 31 December 2017

	Notes	2017 £'000	2016 £'000
Non-current assets			
Property, plant and equipment	10	222	282
Intangible assets	9	136	30
Investments	11	-	-
Deferred tax asset	12	15	13
		<u>373</u>	<u>325</u>
Current assets			
Trade and other receivables	13	38	8
Prepayments and accrued income		186	178
Cash at bank and in hand		3,070	2,479
		<u>3,294</u>	<u>2,665</u>
Total assets		<u>3,667</u>	<u>2,990</u>
Current liabilities			
Trade and other payables	14	(1,805)	(1,584)
Current tax liabilities		(281)	(12)
Provisions	15	(309)	(286)
		<u>(2,395)</u>	<u>(1,882)</u>
Net current assets		<u>899</u>	<u>783</u>
Net assets		<u>1,272</u>	<u>1,108</u>
Equity			
Share capital	16	1	1
Retained earnings		1,271	1,107
Equity attributable to owners of the Company		<u>1,272</u>	<u>1,108</u>

The financial statements of Alexander Hall Associates Limited, registered number 02726296 were approved by the Board of Directors^{24/9/18}..... and were signed on its behalf by:

Signed on behalf of the Board of Directors

.....
V Vaja
Director

The notes form part of these financial statements.

Alexander Hall Associates Limited

Statement of changes in equity As at 31 December 2017

	Notes	Share capital £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2016		<u>1</u>	<u>840</u>	<u>841</u>
Total comprehensive income for the year		-	1,267	1,267
Dividends (note 8)	8	<u>-</u>	<u>(1,000)</u>	<u>(1,000)</u>
Balance at 31 December 2016		<u>1</u>	<u>1,107</u>	<u>1,108</u>
Total comprehensive income for the year		-	1,364	1,364
Dividends (Note 8)	8	<u>-</u>	<u>(1,200)</u>	<u>(1,200)</u>
Balance at 31 December 2017		<u><u>1</u></u>	<u><u>1,271</u></u>	<u><u>1,272</u></u>

The notes form part of these financial statements.

Alexander Hall Associates Limited

Notes to the financial statements For the year dated 31 December 2017

1. General information

Alexander Hall Associates Limited (the Company) is a private Company limited by shares and incorporated in the United Kingdom under the Companies Act 2006. The Company is registered in England and Wales. The address of the registered office is given on page 1.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates.

These financial statements are separate financial statements. The Company has taken advantage of the exemption offered by section 400 of the Companies Act 2006 not to produce consolidated financial statements as it is a wholly owned subsidiary of Foxtons Group plc which prepares consolidated financial statements that are publicly available. The group accounts of Foxtons Group plc can be obtained as set out in note 17.

2. Accounting policies

Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101) issued by the Financial Reporting Council (FRC) and in accordance with applicable accounting standards and the Companies Act 2006.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to share-based payment, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash-flow statement, standards not yet effective and related party transactions.

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for the goods or services.

Where relevant, equivalent disclosures have been given in the group accounts of Foxtons Group plc.

Going concern

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The directors have considered the company forecasts and projections, taking account of reasonably possible changes in trading performance and the current economic uncertainty and are satisfied that the company will be able to operate within the level of its current facilities. Accordingly, they continue to adopt the going concern basis in preparing the financial statements. At 31 December the company had net assets of £1,272k (2016: £1,108k), and £3,070k (2016: £2,479k) in cash and cash equivalents.

Property, plant and equipment

Property, plant and equipment are stated at cost net of depreciation and any provision for impairment.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful economic life as follows:

Leasehold property	-	In accordance with the property
Fixtures, fittings and equipment	-	20% on cost

Intangible assets

Intangible assets that are acquired by the company, which principally represent computer software, are stated at cost less accumulated impairment losses. Computer software is amortised on a straight line basis over their estimated useful economic lives of five years.

Alexander Hall Associates Limited

Notes to the financial statements For the year dated 31 December 2017

2. Accounting policies (continued)

Revenue

Revenue comprises commission and fees receivable, stated net of value added tax and trade discounts. Commission earned on financial services is recognised when insurance policies go on risk and when mortgage contracts complete. Income from other services is recognised in the period or periods when the services are provided. Commission is recognised at fair value which takes account of expected future cancellations.

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax assets are recognised only to the extent that the director considers that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deduced.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Operating lease agreements

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term, except where the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter period is used.

Employee benefit costs

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the income statement in the period to which they relate.

Dividends

Dividends receivable from the company's subsidiaries are recognised only when they are approved by shareholders, or in the case of interim dividends, when paid.

Final dividend distributions to the company's shareholders are recognised as a liability in the financial statements in the period in which they are approved by the company's shareholders. Interim dividends are recognised in the period in which they are paid.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amounts 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 relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

There are no critical judgements or key sources of estimation uncertainty that the Directors believes have a significant effect on the amounts recognised in these financial statements.

Alexander Hall Associates Limited

Notes to the financial statements For the year dated 31 December 2017

3. Revenue

The revenue and profit before taxation are attributable to the one principal activity of the Company. An analysis of revenue is given below:

	2017 £'000	2016 £'000
United Kingdom	8,751	8,851

4. Employees and directors

	2017 £'000	2016 £'000
Wages and salaries	5,198	5,510
Social security	625	665
Other pension costs	21	23
	5,844	6,198

The average monthly number of employees during the year was as follows:

	2017	2016
Administrative staff	31	43
Sales staff	47	58
	78	101

Employee numbers include executive directors.

	2017 £'000	2016 £'000
Directors' remuneration:-emoluments	553	561

	2017 £'000	2016 £'000
Company contributions to money purchase schemes -directors	7	4

Information regarding the highest paid director is as follows:

	2017 £'000	2016 £'000
Emoluments	168	175

Alexander Hall Associates Limited

Notes to the financial statements For the year dated 31 December 2017

5. Finance income

	2017 £'000	2016 £'000
Deposit account interest	7	8

6. Profit before tax

The profit before tax is stated after charging/(crediting)

	2017 £'000	2016 £'000
Other operating leases	314	243
Depreciation – owned assets	60	65
Auditors remuneration - audit of the financial statements	32	18
Taxation compliance services	5	4

7. Tax

Analysis of tax expense/(income)

	2017 £'000	2016 £'000
Current tax:		
UK corporation tax	334	102
Deferred tax	(2)	(1)
Total tax expense in statement of comprehensive income	332	101

Factors affecting the tax expense

The tax assessed for the year is higher (2016: lower) than the standard rate of corporation tax in the UK. The difference is explained below:

	2017 £'000	2016 £'000
Profit on ordinary activities before income tax	1,696	1,368
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19.25% (2016: 20.00%)	327	273
Effects of:		
Expenses not deductible for tax purposes	4	1
Capital allowances in excess of depreciation	-	2
Prior year adjustment	-	(175)
Change in tax rate	1	-
Tax expense	332	101

Corporation tax for the year ended 31 December 2017 is calculated at 19.25% (year ended 31 December 2016: 20%) of the estimated taxable profit for the period. From 01 April 2017, the UK corporate tax rate fell from 20% to 19%.

Alexander Hall Associates Limited

Notes to the financial statements For the year dated 31 December 2017

For the year starting 1 April 2020, the UK corporate tax rate will reduce to 17%.

8. Dividends

	2017 £'000	2016 £'000
Ordinary shares of 1.00 each		
Interim dividend of 133,333 pence per share (2016: 111,111 pence per share)	1,200	1,000

9. Intangible assets

	Computer software £'000	Totals £'000
Cost		
At 1 January 2017	30	30
Additions	106	106
At 31 December 2017	136	136
Amortisation		
At 1 January 2017	-	-
Amortisation for year	-	-
At 31 December 2017	-	-
Net book value		
At 31 December 2017	136	136
At 31 December 2016	30	30

10. Property, plant and equipment

	Leasehold property £'000	Fixtures, fittings and equipment £'000	Totals £'000
Cost			
At 1 January 2017	270	207	477
Additions	-	-	-
At 31 December 2017	270	207	477
Depreciation			
At 1 January 2017	40	155	195
Charge for the year	35	25	60
At 31 December 2017	75	180	255
Net book value			
At 31 December 2017	195	27	222
At 31 December 2016	230	52	282

Alexander Hall Associates Limited

Notes to the financial statements For the year dated 31 December 2017

11. Investments

	Shares in group undertakings £
Cost	
At 1 January 2017 and at 31 December 2017	1
Net book value	
At 31 December 2017	1
At 31 December 2016	1

The Company owns 100% of the issued ordinary share capital of Alexander Hall Direct Limited, which is incorporated in the United Kingdom and has its registered office at Building One, Chiswick Park, 566 Chiswick High Road, London W4 5BE

12. Deferred tax

The movement in the deferred taxation account during the year was:

	2017 £'000	2016 £'000
At 1 January	13	12
Profit and loss movement during the year	1	-
Movement in brought forward balance	2	1
Rate difference	(1)	-
At 31 December	15	13

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of:

	2017 £'000	2016 £'000
Excess of depreciation over capital allowances	15	13
At 31 December	15	13

13. Trade and other receivables

	2017 £'000	2016 £'000
Trade receivables	5	8
Amounts owed from group undertakings	33	-
	38	8

Alexander Hall Associates Limited

Notes to the financial statements For the year dated 31 December 2017

14. Trade and other payables

	2017 £'000	2016 £'000
Trade creditors	26	27
Amounts owed to group undertakings	909	700
Social security and other taxes	159	158
Other creditors	7	2
Accruals	371	408
Deferred income	333	289
	<u>1,805</u>	<u>1,584</u>

15. Provisions

	Sales Provision £'000	Other provisions £'000	Totals £'000
At 1 January 2017	223	63	286
Increase in provision	153	20	173
Utilisation of provision	(90)	(60)	(150)
At 31 December 2017	<u>286</u>	<u>23</u>	<u>309</u>

Sales provision: relates to the repayment of commissions which are expected to be used within the following four years.

Other provisions: relates to unresolved client complaints which may result in compensation within the following year

16. Share capital

	2017 £'000	2016 £'000
Authorised, called up, allotted and fully paid: 900 ordinary shares of nominal value of £1.00 each	<u>1</u>	<u>1</u>

17. Ultimate parent company

Foxtons Operational Holdings Limited is the immediate parent undertaking of Alexander Hall Associates Limited.

The parent company of the smallest and largest group to consolidate Alexander Hall Associates Limited is Foxtons Group plc. The consolidated financial statements of Foxtons Group plc are publicly available at www.foxtongroup.co.uk, with a registered office of Building One, Chiswick Park, 566 Chiswick High Road, London.