


PROPERTY SOLUTIONS (UK) LIMITED

UNAUDITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

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PROPERTY SOLUTIONS (UK) LIMITED

COMPANY INFORMATION

| | |
|--------------------------|--|
| Directors | A P M Rudzinski D J Smith |
| Registered number | 03002344 |
| Registered office | Peat House 1 Waterloo Way Leicester United Kingdom LE1 6LP |
| Bankers | HSBC Bank Plc P.O. Box 105 33 Park Row Leeds West Yorkshire United Kingdom LS1 1LD |

PROPERTY SOLUTIONS (UK) LIMITED

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PROPERTY SOLUTIONS (UK) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

The Directors present their Annual Report and the financial statements for the year ended 31 December 2018.

Principal activity

The principal activity of the Company during the year was the provision of property services.

Accounting framework

During the year the decision was made to change the accounting framework applied from full International Financial Reporting Standards (IFRSs) to Financial Reporting Standard 101 "Reduced Disclosure Framework" (FRS 101). The accounts have therefore been prepared under FRS 101, the details of the transition can be found in Note 2.1 - Basis of Preparation of Financial Statements and in Note 20 - First Time Adoption of FRS 101.

Results and dividends

The profit for the year, after taxation, amounted to £445,026 (2017 - £366,773).

No dividends were proposed or paid in the year (2017 - £nil).

Directors

The Directors who served during the year and up to the date of this report were:

A P M Rudzinski
D J Smith
J R Pike (resigned 31 August 2018)

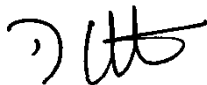
Qualifying third party indemnity provisions

The Company has made qualifying third party indemnity provisions for the benefit of its Directors which were made during the year and remain in force at the date of this report.

Small companies note

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 415A and 414B of the Companies Act 2006.

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



D J Smith
Director

Date: 30/09/2019

PROPERTY SOLUTIONS (UK) LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2018

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the 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 to 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.

PROPERTY SOLUTIONS (UK) LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2018

| | Note | 2018 £ | 2017 £ |
|--------------------------------------|------|----------------|----------------|
| Turnover | 4 | 1,442,500 | 1,318,218 |
| Cost of sales | | (648,502) | (615,000) |
| Gross profit | | 793,998 | 703,218 |
| Administrative expenses | | (348,972) | (335,331) |
| Operating profit | 5 | 445,026 | 367,887 |
| Interest payable and expenses | 7 | - | (339) |
| Profit before tax | | 445,026 | 367,548 |
| Tax on profit | | - | (775) |
| Profit for the financial year | | 445,026 | 366,773 |

There was no other comprehensive income for 2018 (2017 - £nil) and hence no Statement of Comprehensive Income is presented.

The notes on pages 7 to 21 form part of these financial statements.

All results are derived from continuing operations.

PROPERTY SOLUTIONS (UK) LIMITED
REGISTERED NUMBER: 03002344

BALANCE SHEET
AS AT 31 DECEMBER 2018

| | Note | 2018 £ | 2017 £ |
|-----------------------------------|------|-------------------------|-----------------------|
| Fixed assets | | | |
| Tangible assets | 9 | 1,370 | 4,992 |
| | | <u>1,370</u> | <u>4,992</u> |
| Current assets | | | |
| Debtors | 10 | 1,388,875 | 957,468 |
| Cash at bank and in hand | 11 | 30,747 | 13,762 |
| | | <u>1,419,622</u> | <u>971,230</u> |
| Creditors | 12 | (186,821) | (187,077) |
| Net current assets | | 1,232,801 | 784,153 |
| Provisions for liabilities | | | |
| Deferred tax | 14 | (775) | (775) |
| Net assets | | <u>1,233,396</u> | <u>788,370</u> |
| Capital and reserves | | | |
| Called up share capital | 15 | 222 | 222 |
| Capital redemption reserve | 16 | 1 | 1 |
| Profit and loss account | 16 | 1,233,173 | 788,147 |
| | | <u>1,233,396</u> | <u>788,370</u> |

PROPERTY SOLUTIONS (UK) LIMITED
REGISTERED NUMBER: 03002344

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2018

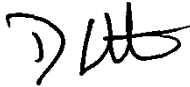
For the year ended 31/12/2018 the Company was entitled to audit exemption under section 479a of the Companies Act 2006.

No members have required the Company to obtain an audit of its financial statements for the year in question in accordance with section 476 of the Companies Act 2006.

The Directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The Company's financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

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



D J Smith
Director

Date: 30/09/2019

The notes on pages 7 to 21 form part of these financial statements.

PROPERTY SOLUTIONS (UK) LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

| | Called up share capital | Capital redemption reserve | Profit and loss account | Total equity |
|----------------------------|----------------------------|----------------------------------|----------------------------|------------------|
| | £ | £ | £ | £ |
| At 1 January 2017 | 222 | 1 | 421,374 | 421,597 |
| Profit for the year | - | - | 366,773 | 366,773 |
| At 1 January 2018 | 222 | 1 | 788,147 | 788,370 |
| Profit for the year | - | - | 445,026 | 445,026 |
| At 31 December 2018 | 222 | 1 | 1,233,173 | 1,233,396 |

The notes on pages 7 to 21 form part of these financial statements.

PROPERTY SOLUTIONS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. General information

The Company is a private company limited by shares, incorporated and domiciled in the United Kingdom under the Companies Act 2006 and registered in England and Wales. The Company's registered number is 03002344. The address of its registered office is Peat House, 1 Waterloo Way, Leicester, England, LE1 6LP.

The Company is a wholly owned subsidiary of Bell Rock Workplace Management Limited ("the Parent"), whose ultimate parent company is Bell Rock Topco Limited.

The nature of the Company's operations and its principal activities are set out in the Directors' Report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 101 'Reduced Disclosure Framework' and the requirements of the Companies Act 2006.

The Company meets the definition of a qualifying entity under FRS 100 'Application of Financial Reporting Requirements' issued by the Financial Reporting Council. Accordingly, in the year ended 31 December 2018 the Company has undergone transition from reporting under FRS 102 to FRS 101 'Reduced Disclosure Framework'. This transition is considered to have not had a material effect on the financial statements.

Information on the impact of first-time adoption of FRS 101 is given in note 20.

The functional currency of the Company is considered to be pound sterling (£) because that is the currency of the primary economic environment in which the Company operates.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

First time application of FRS 100 and FRS 101

In the current year the Company has adopted FRS 100 and FRS 101. In previous years the financial statements were prepared in accordance with applicable UK accounting standards.

The following principal accounting policies have been applied:

PROPERTY SOLUTIONS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.2 Financial reporting standard 101 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures; and
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

2.3 Changes in accounting policy and disclosures

In the current year, the following standards are mandatory for the first time for the financial year beginning 1 January 2018:

| | |
|---------|---------------------------------------|
| IFRS 9 | Financial Instruments |
| IFRS 15 | Revenue from Contracts with Customers |

The effects of the implementation of these standards have had no material impact on the Company's reported profit or cash flows.

Adoption of IFRS 9

In the current year, the Company has applied IFRS 9 Financial Instruments (as revised in July 2014) and the related consequential amendments to other IFRS Standards that are effective for an annual period that begins on or after 1 January 2018. The transition provisions of IFRS 9 allow an entity not to restate comparatives.

Additionally, the Company adopted consequential amendments to IFRS 7 Financial Instruments: Disclosures that were applied to the disclosures about 2018 and to the comparative period.

IFRS 9 introduced new requirements for:

1. The classification and measurement of financial assets and financial liabilities; and
2. Impairment of financial assets.

There has been no material impact on adopting IFRS 9 on the Company financial statements.

Adoption of IFRS 15

In the current year, the Company has applied IFRS 15 Revenue from Contracts with Customers (as amended in April 2016) which is effective for an annual period that begins on or after 1 January 2018. IFRS 15 introduced a 5-step approach to revenue recognition. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Details of the new requirements as well as their impact on the Company's consolidated financial statements are described below.

IFRS 15 uses the terms 'contract asset' and 'contract liability' to describe what might more commonly be known as 'accrued revenue' and 'deferred revenue', however, the Standard does not prohibit an entity from using alternative descriptions in the statement of financial position.

PROPERTY SOLUTIONS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

The Company's accounting policies for its revenue streams are disclosed in detail in the accounting policies section below. Apart from providing more extensive disclosures for the Company's revenue transactions, the application of IFRS 15 has not had a significant impact on the financial position and/or financial performance of the Company.

At the date of signing these Financial Statements, the following Standards and Interpretations, which have not been applied in these Financial Statements, were in issue but not yet effective (and in some cases had not been adopted by the European Union ("E.U.")).

New or revised standards:

| | |
|---------|-----------------------|
| IFRS 16 | Leases (January 2016) |
|---------|-----------------------|

Amendments:

| | |
|----------|--|
| IFRS 2 | Classification and Measurement of Share-based Payment Transactions (June 2016) |
| IFRS 4 | Applying IFRS 9 'Financial Instruments' with IFRS 4 'Insurance Contracts' (September 2016) |
| IFRIC 22 | Foreign Currency Transactions and Advance Consideration (December 2016) |
| IFRIC 23 | Uncertainty over Income Tax Treatments (June 2017) |
| Various | Annual Improvements to IFRS Standards 2014–2016 Cycle (January 2016) |

The Directors have considered the impact of IFRS 16 as noted below. The Directors do not expect that the adoption of the other standards listed above will have a material impact on the financial statements of the Company in future periods.

Adoption of IFRS 16

IFRS 16 'Leases' provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements for both lessors and lessees. IFRS 16 will supersede the current lease guidance including IAS 17 'Leases' and the related Interpretations when it becomes effective for accounting periods beginning on or after 1 January 2019. The date of initial application of IFRS 16 for the Company will be 1 January 2019. The Company has chosen the modified retrospective application of IFRS 16. Consequently, the Company will recognise a lease liability and a corresponding right-of-use asset, and no adjustment to the opening retained earnings, on 1st January 2019.

Impact of the new definition of a lease

The Company will make use of the practical expediency available on transition to IFRS 16 not to reassess whether a contract is or contains a lease. Accordingly, the definition of a lease in accordance with IAS 17 and IFRIC 4 will continue to apply to those leases entered or modified before 1 January 2019.

The change in definition of a lease mainly relates to the concept of control. IFRS 16 distinguishes between leases and service contracts on the basis of whether the use of an identified asset is controlled by the customer. Control is considered to exist if the lessee has:

- The right to obtain substantially all of the economic benefits from the use of an identified asset;
- The right to direct the use of that asset.

PROPERTY SOLUTIONS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

Impact of IFRS 16

Operating leases

IFRS 16 will change how the Company accounts for leases previously classified as operating leases under IAS 17, which were off balance sheet. On initial application of IFRS 16, for all leases the Company will:

- a) Recognise a right of use asset and lease liability in the consolidated statement of financial position, initially measured at the present value of the future lease payments;
- b) Not adjust the opening retained earnings on initial application; and
- c) For short term leases (lease term of 12 months or less) and leases of low value assets (under £2,000), the Company will opt to recognise a lease expense on a straight line basis as permitted by IFRS 16.

As at 31 December 2018, the Company has operating lease commitments of £101,192, see note 17.

A preliminary assessment indicates that the majority of these arrangements relate to leases other than short term leases and leases of low value assets, and hence the Company will recognise a right of use asset of approximately £100,427 and a corresponding lease liability of approximately £100,427 in respect of all these leases. The impact on profit or loss is to decrease other expenses by £20,986, to increase depreciation by £20,085 and to increase interest expenses by £904.

2.4 Going concern

After making due enquiries, the Board has a reasonable expectation that the Company has adequate resources to continue in operational existence for at least 12 months from the date of approval of these financial statements and for this reason, the going concern basis continues to be adopted in preparing the financial statements.

In reaching this conclusion the Board have considered the financial position of the Company, its funding facilities and the formal confirmation of support received from the ultimate parent undertaking. The Board has undertaken a review of the Company's forecasts and associated risks and sensitivities. The Board recognises the uncertain economic outlook for the UK economy and the particular circumstances relevant to the Company.

The Bellrock Group made a profit before exceptional costs, interest, tax, depreciation and amortisation in 2018 and has forecast a profit before exceptional costs, interest, tax, depreciation and amortisation for both 2019 and 2020, on the basis that although the current economic climate provides some level of uncertainty with regard to future performance, a level of confidence has returned to the market. The Board has taken this into account in considering the forecasts.

PROPERTY SOLUTIONS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.5 Revenue Recognition

Revenue is measured in accordance with relevant accounting standards. For all contracts within the scope of IFRS 15, the Company determines whether enforceable rights and obligations have been created with the customer and recognises revenue based on the total transaction price as estimated at the contract inception, being the amount which the Company expects to be entitled and has present enforceable rights under the contract. Revenue is allocated proportionally across the contract performance obligations and recognised either over time or at a point in time as appropriate. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.6 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.7 Finance costs

Finance costs are charged to the Profit and Loss Account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.8 Pensions

Defined contribution pension plan

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 in the Profit and Loss Account when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

PROPERTY SOLUTIONS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.9 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Profit and Loss Account, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.10 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

| | |
|-------------------------------|------------------------------|
| Short-term leasehold property | - over the life of the lease |
| Plant and machinery | - 3 years straight line |

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Profit and Loss Account.

PROPERTY SOLUTIONS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.11 Debtors

Debtors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowance. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default in payments are considered indicators that the asset has incurred an expected credit loss. Changes in the carrying amount of the receivable are recognised in the Profit and Loss Account.

2.12 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the Balance Sheet.

2.13 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.14 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Profit and Loss Account in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

PROPERTY SOLUTIONS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.15 Financial instruments

Financial assets and liabilities are recognised when the company becomes a party to the contractual provisions of the relevant instrument and derecognised when it ceases to be a party to such provisions, when the instrument expires or when it is cancelled. Financial instruments are classified as cash and cash equivalents, trade and group receivables, trade payables, and other payables (excluding taxes). Non-derivative financial assets are categorised as "loans and receivables" and non-derivative financial liabilities are categorised as "other financial liabilities".

Other financial liabilities

Other financial liabilities, as categorised above, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowance. See note 10 for further information about the Company's accounting for trade receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default in payments are considered indicators that the asset has incurred an expected credit loss. Changes in the carrying amount of the receivable are recognised in the income statement.

Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the Balance Sheet.

2.16 Share capital

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

3. 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 (other than those involving estimations) that have a significant impact on the amounts recognised and to make 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 to be 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 accounting judgements and no estimates or assumptions that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the future periods.

PROPERTY SOLUTIONS (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

4. Turnover

An analysis of turnover by class of business is as follows:

| | 2018 £ | 2017 £ |
|-------------------|------------------|------------------|
| Property services | 1,442,500 | 1,318,218 |
| | <u>1,442,500</u> | <u>1,318,218</u> |

All turnover arose within the United Kingdom.

5. Operating profit

The operating profit is stated after charging:

| | 2018 £ | 2017 £ |
|---------------------------------------|--------------|--------------|
| Operating lease rentals | 62,180 | 62,180 |
| Audit fees | - | 8,000 |
| Depreciation of tangible fixed assets | 3,622 | 6,516 |
| | <u>3,622</u> | <u>6,516</u> |

There are no non-audit fees for the year ending 31 December 2018 (2017 - £nil).

6. Employees

The average monthly number of employees, including Directors, during the year was 14 (2017 - 13).

7. Interest payable and similar expenses

| | 2018 £ | 2017 £ |
|--|-----------|------------|
| Bank interest payable | - | 17 |
| Finance leases and hire purchase contracts | - | 322 |
| | <u>-</u> | <u>339</u> |

PROPERTY SOLUTIONS (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

8. Taxation

| | 2018 £ | 2017 £ |
|--|----------------------|------------------------|
| Corporation tax | | |
| Current tax on profits for the year | - | 775 |
| | <hr/> | <hr/> |
| | - | 775 |
| | <hr/> | <hr/> |
| Total current tax | <hr/> - <hr/> | <hr/> 775 <hr/> |
| Deferred tax | | |
| | <hr/> | <hr/> |
| Total deferred tax | <hr/> - <hr/> | <hr/> - <hr/> |
| | <hr/> | <hr/> |
| Taxation on profit on ordinary activities | <hr/> - <hr/> | <hr/> 775 <hr/> |

PROPERTY SOLUTIONS (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

8. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2017 - lower than) the standard rate of corporation tax in the UK of 19% (2017 - 19.25%). The differences are explained below:

| | 2018 £ | 2017 £ |
|---|----------------|----------------|
| Profit on ordinary activities before tax | <u>445,026</u> | <u>367,548</u> |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19.25%) | 84,555 | 70,753 |
| Effects of: | | |
| Group relief | (84,555) | (69,978) |
| Total tax charge for the year | <u>-</u> | <u>775</u> |

Factors that may affect future tax charges

The income tax charge for the year is based on the effective United Kingdom statutory rate of corporation tax for the year of 19% (2017 - 19.25%). From 1 April 2020 the standard rate of corporation tax in the UK will fall to 17%. As these changes had been substantively enacted at the balance sheet date, the deferred tax assets and liabilities included within these financial statements have been calculated using these rates based on when the deferred tax temporary differences are expected to materially reverse.

The deferred tax balance on the Balance Sheet as at 31 December 2018 is a liability of £775 (2017 - £775) and relates to capital allowances of which there is not deemed to be any expiry date.

Deferred tax assets are recognised in full on the basis that future profits will be available against which to offset the deferred tax assets.

PROPERTY SOLUTIONS (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

9. Tangible fixed assets

| | Leasehold improve- ments £ | Plant and machinery £ | Total £ |
|-------------------------------------|-------------------------------------|-----------------------------|----------------|
| Cost or valuation | | | |
| At 1 January 2018 | 30,163 | 252,783 | 282,946 |
| At 31 December 2018 | <u>30,163</u> | <u>252,783</u> | <u>282,946</u> |
| Depreciation | | | |
| At 1 January 2018 | 30,163 | 247,791 | 277,954 |
| Charge for the year on owned assets | - | 3,622 | 3,622 |
| At 31 December 2018 | <u>30,163</u> | <u>251,413</u> | <u>281,576</u> |
| Net book value | | | |
| At 31 December 2018 | <u>-</u> | <u>1,370</u> | <u>1,370</u> |
| At 31 December 2017 | <u>-</u> | <u>4,992</u> | <u>4,992</u> |

PROPERTY SOLUTIONS (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

10. Debtors

| | 2018 £ | 2017 £ |
|------------------------------------|------------------|----------------|
| Trade debtors | 418,395 | 460,177 |
| Amounts owed by group undertakings | 875,084 | 385,258 |
| Other debtors | 5,220 | 5,219 |
| Prepayments and accrued income | 90,176 | 106,814 |
| | <u>1,388,875</u> | <u>957,468</u> |

Amounts owed by Group companies relating to trading invoices are non-interest bearing, unsecured and payable on normal commercial terms.

All trade and other debtor balances at the balance sheet date are denominated in pound sterling (£). Given the short term nature there is deemed to be no difference between this and their fair value.

Trade and other debtors amounting to £423,615 (2017 - £465,396) are not yet due up to 3 months past due. Trade and other debtors which are less than 3 months past due are not considered impaired unless specific information indicates otherwise. Trade and other debtors greater than 3 months are considered for recoverability, and where appropriate, a provision against bad debt is recognised.

11. Cash and cash equivalents

| | 2018 £ | 2017 £ |
|--------------------------|---------------|---------------|
| Cash at bank and in hand | <u>30,747</u> | <u>13,762</u> |

12. Creditors: Amounts falling due within one year

| | 2018 £ | 2017 £ |
|---|----------------|----------------|
| Trade creditors | 30,927 | 63,425 |
| Other taxation and social security | 69,758 | 68,203 |
| Obligations under hire purchase contracts | 1,455 | 2,226 |
| Other creditors | 5,990 | 2,673 |
| Accruals and deferred income | 78,691 | 50,550 |
| | <u>186,821</u> | <u>187,077</u> |

All trade and other creditor balances at the balance sheet date are held at amortised cost. Given their short term nature there is deemed to be no difference between this and their fair value.

PROPERTY SOLUTIONS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

13. Financial instruments

The Company has no financial assets or financial liabilities measured at fair value through profit or loss.

14. Deferred taxation

| | 2018 £ | 2017 £ |
|---------------------------|--------------|--------------|
| At beginning of year | (775) | - |
| Charged to profit or loss | - | (775) |
| At end of year | (775) | (775) |

The provision for deferred taxation is made up as follows:

| | 2018 £ | 2017 £ |
|--------------------------------|-----------|-----------|
| Accelerated capital allowances | (775) | (775) |

15. Share capital

| | 2018 £ | 2017 £ |
|--|-----------|-----------|
| Allotted, called up and fully paid | | |
| 22,200 (2017 - 22,200) Ordinary shares of £0.01 each | 222 | 222 |

The total number of authorised shares as at the year end was 22,200 (2017 - 22,200).

16. Reserves

Capital redemption reserve

The capital redemption reserve contains the nominal value of own shares that have been acquired by the company and cancelled.

Profit and loss account

The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

PROPERTY SOLUTIONS (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

17. Commitments under operating leases

At 31 December 2018 the Company had future minimum lease payments under non-cancellable operating leases as follows:

| | 2018 £ | 2017 £ |
|--|----------------|----------------|
| Not later than 1 year | 62,180 | 62,180 |
| Later than 1 year and not later than 5 years | 39,012 | 100,851 |
| | <u>101,192</u> | <u>163,031</u> |

18. Related party transactions

The Company has taken advantage of the exemption under paragraph 8(k) of FRS 101 not to disclose transactions with fellow wholly owned subsidiaries.

19. Controlling party

The Company's immediate parent undertaking is Bell Rock Workplace Management Limited, a company registered in England and Wales, and is the smallest group to consolidate these financial statements. The registered address of the immediate parent company is Peat House, 1 Waterloo Way, Leicester, LE1 6LP. The Company's ultimate parent undertaking, which is the parent undertaking of the largest group to consolidate these financial statements and controlling party is Bell Rock Topco Limited. Copies of the ultimate parent's consolidated Financial Statements may be obtained from The Company Secretary, Bell Rock Topco Limited, the registered address is Peat House, 1 Waterloo Way, Leicester, LE1 6LP.

The ultimate controlling parties are funds managed by Horizon Capital Partners LLP, Brettenham House (North Entrance), Lancaster Place, London, England, WC2E 7EN, due to their holding of 97.5% of the A shares issued at the year end of Bell Rock Topco Limited. The remaining 'A' ordinary shares and 100% of the 'B' Ordinary Shares of Bell Rock Topco Limited are owned by Management.

20. First time adoption of FRS 101

The policies applied under the entity's previous accounting framework are not materially different to FRS 101 and have not impacted equity or profit or loss.