

Registered number: 03775703

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**TM PROPERTY SEARCHES LIMITED**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**



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**TM PROPERTY SEARCHES LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	P Albone M Gilbert J Pepper
<b>Company secretary</b>	RWK Company Services Limited
<b>Registered number</b>	03775703
<b>Registered office</b>	Unit 1200 Delta Business Park Welton Road Swindon Wiltshire SN5 7XZ
<b>Independent auditor</b>	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 1020 Eskdale Road Winnersh Wokingham Berkshire RG41 5TS

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**TM PROPERTY SEARCHES LIMITED**

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## TM PROPERTY SEARCHES LIMITED

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### STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

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#### Introduction

The directors present their Strategic Report for TM Property Searches Limited ("TMPS") for the year ended 31 December 2018.

#### Business review

The company's key financial indicators during the year were as follows:

Description	2018 (£000)	2017 (£000)	YoY Change
Revenue	51,776	56,145	-8%
Gross Margin	9,617	8,694	11%
Profit Before Tax	280	3	9,233%

Revenue decreased by 7.8%, reflecting a determined effort by the business to withdraw from loss making and low margin business streams. At the same time the gross margin increased by 10.7%, which was a good result in a difficult market.

#### Future Developments

The directors expect the company's principal activities to remain unchanged for the foreseeable future. The investments in product development and the infrastructure are aimed at delivering continued sales growth for the future.

#### Principal risks and uncertainties

- The volume of transactions and the company's revenue and profitability could be adversely affected by the following external factors: the housing market; customer behaviour; competition from other entrants and changes in legislation.
- The company's results could also be affected by the following internal factors: failure to recruit or retain key staff; failure of information systems; failure to comply with relevant legislation.

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



**J Pepper**  
Director

Date: 11 September 2019

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## TM PROPERTY SEARCHES LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

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The directors present their report and the financial statements for the year ended 31 December 2018.

#### Principal activity

The principal activity has continued to be the provision of an electronic transaction and information infrastructure for land and property transactions in England, Scotland and Wales.

#### Results and dividends

The profit for the year, after taxation, amounted to £232k (2017: loss £23k).

#### Directors

The directors who served during the year were:

P Albone  
P Creffield (resigned 11 June 2018)  
I Crabb (resigned 11 June 2018)  
D Livesey (resigned 11 June 2018)  
M Gilbert (appointed 11 June 2018)  
J Pepper (appointed 11 June 2018)  
A Bobath (appointed 11 June 2018, resigned 28 June 2019)

#### Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). 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 and 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;
- 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.

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TM PROPERTY SEARCHES LIMITED

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DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2018

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**Going concern**

In assessing whether the going concern assumption is appropriate, management have taken into account all available information about the future including the profit and cash forecasts prepared up to 2021 and management's ability to affect costs and revenues. After review, management regard the forecasts to be robust. Revenue streams are forecast in detail using house buying data obtained from the Land Registry.

As at the year end the Statement of Financial Position is reflecting a net current liability position of £1,504,000. At a board meeting on 11th June 2019, where the parent company shareholders, who are also the major creditors, were present, it was agreed that £1,500,000 of the amount outstanding to them and included in the net current liabilities would be deferred for payment until April 2020.

The directors are therefore of the opinion that the preparation of the financial statements on the going concern basis is appropriate.

**Disclosure of information to auditor**

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- The directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

**Auditor**

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

**Events after the reporting period**

The directors are not aware of any significant events affecting the company since the period end and up to the date of this report.

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

  
J Pepper  
Director

Date: 11 September 2019



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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TM PROPERTY SEARCHES LIMITED

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### Opinion

We have audited the Financial Statements of TM Property Searches Limited (the 'company') for the year ended 31 December 2018, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related 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 Financial Reporting Standard 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 31 December 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.



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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TM PROPERTY SEARCHES LIMITED  
(CONTINUED)**

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**Other information**

The directors are responsible for the other information. The other information comprises the information included in the Strategic Report and the Directors' 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.

**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.

**Matter on which we are required to report under the Companies Act 2006**

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 Strategic Report or the Directors' Report.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which 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.





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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TM PROPERTY SEARCHES LIMITED  
(CONTINUED)

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**Responsibilities of directors for the financial statements**

As explained more fully in the Directors' Responsibilities Statement on page 2, 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](http://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.

*Grant Thornton UK LLP*

Paul Holland BSc FCA  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
Reading

Date: *18 September 2019*

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**TM PROPERTY SEARCHES LIMITED**

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**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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	Note	2018 £000	2017 £000
Turnover	4	51,776	56,145
Cost of sales		(42,159)	(47,451)
<b>Gross profit</b>		<u>9,617</u>	<u>8,694</u>
Administrative expenses		(9,446)	(8,707)
Other operating income	5	91	-
<b>Operating profit/(loss)</b>	6	<u>262</u>	<u>(13)</u>
Interest income		18	16
<b>Profit before tax</b>		<u>280</u>	<u>3</u>
Tax on profit	10	(48)	(26)
<b>Profit/(loss) for the financial year</b>		<u><u>232</u></u>	<u><u>(23)</u></u>

There were no recognised gains and losses for 2018 or 2017 other than those included in the statement of comprehensive income.

The notes on pages 10 to 25 form part of these financial statements.

**TM PROPERTY SEARCHES LIMITED**  
**REGISTERED NUMBER:03775703**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2018**

	Note	2018 £000	2017 £000
<b>Fixed assets</b>			
Intangible assets	11	1,850	1,265
Tangible assets	12	290	335
		<u>2,140</u>	<u>1,600</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	13	8,573	3,556
Cash at bank and in hand	14	1,157	4,176
		<u>9,730</u>	<u>7,732</u>
Creditors: amounts falling due within one year	15	(11,234)	(8,918)
<b>Net current liabilities</b>		<u>(1,504)</u>	<u>(1,186)</u>
<b>Total assets less current liabilities</b>		<u>636</u>	<u>414</u>
<b>Provisions for liabilities</b>			
Deferred tax	16	(29)	(39)
		<u>(29)</u>	<u>(39)</u>
<b>Net assets</b>		<u><u>607</u></u>	<u><u>375</u></u>
<b>Capital and reserves</b>			
Profit and loss account	18	607	375
		<u><u>607</u></u>	<u><u>375</u></u>

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

J Pepper  
Director

Date: 11 September 2019

The notes on pages 10 to 25 form part of these financial statements.

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TM PROPERTY SEARCHES LIMITED

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

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	Profit and loss £000	Total equity £000
At 1 January 2018	375	375
<b>Comprehensive income for the year</b>		
Profit for the year	232	232
<b>At 31 December 2018</b>	<b>607</b>	<b>607</b>

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2017

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	Profit and loss £000	Total equity £000
At 1 January 2017	398	398
<b>Comprehensive income for the year</b>		
Loss for the year	(23)	(23)
<b>At 31 December 2017</b>	<b>375</b>	<b>375</b>

The notes on pages 10 to 25 form part of these financial statements.

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## TM PROPERTY SEARCHES LIMITED

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

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#### 1. General information

TM Property Searches Limited is a private company limited by shares and incorporated in England and Wales. Its registered head office is located at Unit 1200 Delta Business Park, Welton Road, Swindon, Wiltshire, England, SN5 7XZ.

#### 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 Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 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).

The following principal accounting policies have been applied:

##### 2.2 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group and by the parent, TM Group (UK) Limited, whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 102 1.8-12.

##### 2.3 Going concern

In assessing whether the going concern assumption is appropriate, management have taken into account all available information about the future including the profit and cash forecasts prepared up to 2021 and management's ability to affect costs and revenues. After review, management regard the forecasts to be robust. Revenue streams are forecast in detail using house buying data obtained from the Land Registry.

As at the year end the Statement of Financial Position is reflecting a net current liability position of £1,504,000. At a board meeting on 11th June 2019, where the parent company shareholders, who are also the major creditors, were present, it was agreed that £1,500,000 of the amount outstanding to them and included in the net current liabilities would be deferred for payment until April 2020.

The directors are therefore of the opinion that the preparation of the financial statements on the going concern basis is appropriate.

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## TM PROPERTY SEARCHES LIMITED

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

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#### 2. Accounting policies (continued)

##### 2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. 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.

##### 2.5 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Software development	-	5 to 10 years, straight-line
Computer software	-	3 years, straight-line

##### 2.6 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised in accordance with note 2.5 above.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

##### 2.7 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.

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## TM PROPERTY SEARCHES LIMITED

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

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#### 2. Accounting policies (continued)

##### 2.7 Tangible fixed assets (continued)

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:

Fixtures & fittings	- 3 years, straight-line
Office equipment	- 3 to 7 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 Statement of Comprehensive Income.

##### 2.8 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

##### 2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

##### 2.10 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

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**TM PROPERTY SEARCHES LIMITED**

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

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**2. Accounting policies (continued)**

**2.10 Financial instruments (continued)**

**2.11 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**2.12 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 period of the lease.

**2.13 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 Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the company in independently administered funds.

**2.14 Interest income**

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

**2.15 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 Statement of Comprehensive Income in the year that the company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position 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 Statement of Financial Position.



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TM PROPERTY SEARCHES LIMITED

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

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2. Accounting policies (continued)

2.16 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, 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 reporting 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 Statement of Financial Position 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the company can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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 reporting date.

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**TM PROPERTY SEARCHES LIMITED**

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

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**3. Judgements in applying accounting policies and key sources of estimation uncertainty**

Preparation of the financial statements requires management to make significant judgements and estimates. Judgements and estimates are continually re-assessed and are based on historical experience as well as other factors, including expectations of future events that are believed to be reasonable under the circumstances. The actual amount or values may vary in certain instances from the assumptions and estimates made. Changes will be recorded, with corresponding effect in the Statement of Comprehensive Income, when, and if, better information is obtained.

**Significant judgements:**

The judgements the directors have made in the process of applying the company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are disclosed below.

**Intangible assets**

The company is in the process of developing a software application which will enable monitoring of the property transaction chain. In capitalising costs associated to its development, management have applied their judgement in applying the recognition criteria of Section 18 FRS102, more specifically the consideration of whether the transactions fell into the category of research or development, and if development, whether they met the 6 key criteria for capitalisation as required by paragraph 18.8H of Section 18. This includes the assessment of the project being technically feasible, intention to complete and use the asset, ability to use or sell the asset, assessment of future economic benefits, availability of resources to complete development and the ability to reliably measure the expenditure attributable to the development.

**Key sources of estimation uncertainty:**

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

**Recoverability of loan assessment**

Management have assessed the loan receivable from its shareholder to be recoverable on the basis that future cash flows from its fellow subsidiary will be available to repay the loan.

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**TM PROPERTY SEARCHES LIMITED**

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

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**4. Turnover**

The whole of the turnover is attributable to the principal activity of the company.

All turnover arose within the United Kingdom.

**5. Other operating income**

	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
Sundry income	<u>91</u>	<u>-</u>

**6. Operating profit/(loss)**

The operating profit/(loss) is stated after charging:

	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
Research & development charged as an expense	166	154
Depreciation of tangible fixed assets	206	204
Amortisation of intangible assets	130	167
Defined contribution pension cost	177	159
Operating lease rentals	<u>156</u>	<u>132</u>

**7. Auditor's remuneration**

	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	<u>20</u>	<u>19</u>
Tax compliance services	4	4
Preparation of financial statements	2	2
All other services	<u>22</u>	<u>5</u>

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**TM PROPERTY SEARCHES LIMITED**

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

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**8. Employees**

Staff costs, including directors' remuneration, were as follows:

	2018 £000	2017 £000
Wages and salaries	5,985	5,147
Social security costs	515	472
Cost of defined contribution scheme	177	159
	<u>6,677</u>	<u>5,778</u>

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

	2018 No.	2017 No.
Staff	151	142
Directors	4	4
	<u>155</u>	<u>146</u>

**9. Directors' remuneration**

	2018 £000	2017 £000
Directors' emoluments	466	187
Company contributions to defined contribution pension schemes	6	6
	<u>472</u>	<u>193</u>

During the year retirement benefits were accruing to 4 directors (2017: 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £194,000 (2017: £187,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £7,000 (2017: £6,000).

The Directors do not consider there to be any key management outside of the Board of Directors.

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NOTES TO THE FINANCIAL STATEMENTS  
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10. Taxation

	2018 £000	2017 £000
<b>Corporation tax</b>		
Current tax on profits for the year	82	51
Adjustments in respect of previous periods	(24)	21
<b>Total current tax</b>	<u>58</u>	<u>72</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(10)	(46)
<b>Total deferred tax</b>	<u>(10)</u>	<u>(46)</u>
<b>Taxation on profit on ordinary activities</b>	<u>48</u>	<u>26</u>

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10. Taxation (continued)

Factors affecting tax charge for the year

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

	2018 £000	2017 £000
Profit on ordinary activities before tax	280	3
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017: 19.25%)	53	1
Effects of:		
Expenses not deductible for tax purposes	14	14
Capital allowances for year in excess of depreciation	15	13
R&D expenditure credits	-	16
Adjustments to tax charge in respect of prior periods	(35)	16
Timing differences not recognised in the computation	-	2
Deferred tax not recognised	-	(41)
Tax rate difference between normal tax rate of 19% and tax rate applied to deferred tax at 17%	1	5
Total tax charge for the year	48	26

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**TM PROPERTY SEARCHES LIMITED**

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**11. Intangible assets**

	Software development £000	Software £000	Total £000
<b>Cost</b>			
At 1 January 2018	1,010	702	1,712
Additions	696	19	715
Disposals	-	(4)	(4)
At 31 December 2018	<u>1,706</u>	<u>717</u>	<u>2,423</u>
<b>Amortisation</b>			
At 1 January 2018	-	447	447
Charge for the year	-	130	130
Disposals	-	(4)	(4)
At 31 December 2018	<u>-</u>	<u>573</u>	<u>573</u>
<b>Net book value</b>			
At 31 December 2018	<u>1,706</u>	<u>144</u>	<u>1,850</u>
At 31 December 2017	<u>1,010</u>	<u>255</u>	<u>1,265</u>

No amortisation has been provided on Software Development assets as the software is still in the development phase and is not yet available for use.

**TM PROPERTY SEARCHES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
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**12. Tangible fixed assets**

	Fixtures & fittings £000	Office equipment £000	Total £000
<b>Cost or valuation</b>			
At 1 January 2018	363	809	1,172
Additions	34	127	161
Disposals	-	(107)	(107)
At 31 December 2018	<u>397</u>	<u>829</u>	<u>1,226</u>
<b>Depreciation</b>			
At 1 January 2018	290	547	837
Charge for the year on owned assets	48	158	206
Disposals	-	(107)	(107)
At 31 December 2018	<u>338</u>	<u>598</u>	<u>936</u>
<b>Net book value</b>			
At 31 December 2018	<u>59</u>	<u>231</u>	<u>290</u>
At 31 December 2017	<u>73</u>	<u>262</u>	<u>335</u>

**13. Debtors**

	2018 £000	2017 £000
Trade debtors	2,582	2,244
Amounts owed by group undertakings	5,202	-
Other debtors	67	5
Prepayments and accrued income	722	628
Tax recoverable	-	679
	<u>8,573</u>	<u>3,556</u>



**TM PROPERTY SEARCHES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
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**14. Cash and cash equivalents**

	2018 £000	2017 £000
Cash at bank and in hand	1,157	4,176

**15. Creditors: Amounts falling due within one year**

	2018 £000	2017 £000
Trade creditors	4,501	2,649
Amounts owed to group undertakings	128	-
Corporation tax	45	-
Other taxation and social security	423	472
Accruals and deferred income	6,137	5,797
	<u>11,234</u>	<u>8,918</u>

**16. Deferred taxation**

	2018 £000	2017 £000
At beginning of year	(39)	(85)
Charged/credited to profit or loss	10	46
<b>At end of year</b>	<u>(29)</u>	<u>(39)</u>

The provision for deferred taxation is made up as follows:

	2018 £000	2017 £000
Accelerated capital allowances	(39)	(43)
Short term timing differences	10	4
	<u>(29)</u>	<u>(39)</u>

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**TM PROPERTY SEARCHES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**17. Share capital**

	2018 £	2017 £
Shares classified as equity		
<b>Allotted, called up and fully paid</b>		
1 Ordinary share of £1	1	1
	<u>1</u>	<u>1</u>

**18. Reserves**

**Profit & loss account**

Includes all current and prior period profits and losses.

**19. Pension commitments**

The company contributes to a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £177k (2017: £159k). Contributions totalling £36k (2017: £24k) were payable to the fund at the reporting date.

**20. Commitments under operating leases**

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

	2018 £000	2017 £000
Not later than 1 year	153	173
Later than 1 year and not later than 5 years	391	530
Later than 5 years	-	-
	<u>544</u>	<u>703</u>

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**TM PROPERTY SEARCHES LIMITED**

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

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**21. Related party transactions**

The parent company, TM Group (UK) Limited is owned in equal proportion of shares and voting rights by:

- Balanus Limited (a subsidiary of Countrywide Plc),
- Connells Limited, and
- LSL Property Services Plc

During the year the following transactions took place between the Company (TMPS) and related parties in respect of turnover, introductory commissions payable, and data supplies provided to the group:

	2018 £000	2017 £000
Connells Limited - Search costs payable by the company	(3,378)	(2,811)
Connells Limited - Conveyancing services payable to the company	2,336	683
Countrywide plc - Search costs payable by the company	(314)	(287)
Countrywide plc - Conveyancing costs payable by the company	2,338	2,037
LSL Property Services plc - Search costs payable to the company	(434)	(592)
LSL Property Services plc - Conveyancing services payable to the company	36	52
Legal Marketing Services Limited, a company jointly owned by Connells Limited and LSL Property Services plc - conveyancing services payable to the group	361	546
Conveyancing Data Services Limited - Search costs payable to the company	1,479	-
Conveyancing Data Services Limited - Search costs payable by the company	(1,190)	-

Additionally, Connells Limited, Countrywide plc and LSL Property Services plc accrued annual charges amounting to £1,734,283, £1,480,654 and £1,285,063 respectively (2017: £1,705,169, £1,499,136 and £1,295,695 respectively).

At 31 December 2018 £608,860 (2017: £372,022) was owed by the company to Countrywide plc group under normal trading terms.

At 31 December 2018 £734,792 (2017: £216,541) was owed by the company to Connells Limited under normal trading terms.

At 31 December 2018 £669,940 was owed by the company to LSL Property Services plc (2017: £25,823 owed to the Company by LSL Property Services plc) under normal trading terms.

At 31 December 2018 £6,061 was owed to the company jointly by Connells Limited and LSL Property Services plc (2017: £7,779 was owed by the company to Connells Limited and LSL Property Services plc) under normal trading terms.

At 31 December 2018 £64,180 was owed to the company by Conveyancing Data Services Limited under normal trading terms. Search costs paid to (received from) Conveyancing Data Services Limited during the year since it became a fellow subsidiary on 1 April 2018 amounted to £1,479,054 and (£1,189,706) respectively.

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**TM PROPERTY SEARCHES LIMITED**

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**22. Controlling party**

The ultimate parent company is TM Group (UK) Limited, a company registered in England and Wales. There is no single ultimate controlling party.