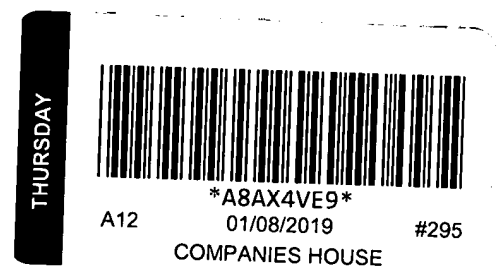


Spicerhaart Group Limited

**Annual report and consolidated
financial statements**

Registered number 4081664

Year ended 31 December 2018



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Directors and officers

Directors:

P A Smith
R B Jervis
J A Spence
M Hurdle
J M Phillips

Secretary:

P A Smith

Registered office:

Colwyn House
Sheepen Place
Colchester
Essex
CO3 3LD

Auditor:

KPMG LLP
Chartered Accountants
Botanic House
100 Hills Road
Cambridge
CB2 1AR

Strategic report

The directors present their strategic report for the year ended 31 December 2018.

Business review

The group's principal activity during the year was that of estate agency, together with a broad range of complementary business streams. We operate across the residential property services value chain, having specialised divisions covering estate agency, residential lettings, financial services, land and new homes and surveying.

In line with our strategy to expand the group outside of London and the South East, on 1 February 2019 we acquired B.C. Holt Ltd, a 3 branch estate agency and lettings business in the West Midlands and on 29 June 2018 we acquired Howards Estate Agents Ltd, which provides estate agency and lettings services across 6 branches covering the major towns in East Anglia. The directors continue to explore opportunities to expand further in 2019.

The key performance indicators for the group are turnover and profit before tax and the directors report a £10.2m, 9% increase in group turnover to £123.6m (2017: £113.4m). Excluding the full year impact of the 2017 acquisition and those made in 2018, turnover increased by £3.8m, 3% with the impact of the further slow-down in the estate agency market being offset by continued growth being delivered from our investment in the financial services, land and new homes, lettings and surveying businesses.

Profitability improved again in 2018 due to returns on the investment made in businesses delivering growth and actions taken by the directors to reduce costs in the estate agency business. The group reported a profit before tax of £1.2m (2017 – profit before tax £0.1m) an improvement of £1.1m.

After tax, the group reported a profit in the year of £852k (2017: loss of £52k).

Net assets increased to £20.2m and the group ended the year with cash reserves of £16.0m.

The consolidated profit and loss account and other comprehensive income, balance sheet and statement of changes in equity of the group and of the company are set out in pages 9 to 13.

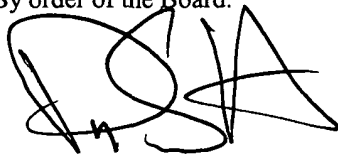
Our market remained challenging in 2018. The general uncertainty created by Brexit continues to impact consumer confidence and depress property transaction volumes. The Board believes that most of the impact on housing transaction volumes has already been realised and once a degree of certainty over Brexit is achieved, there will be a recovery in transaction volumes due to the on-going imbalance between the demand for properties and the available supply. Whilst market activity remains low in estate agency to date in 2019, costs are being contained and our other businesses all continue to grow and provide resilience in the group operating model. The directors remain focused on growing market share, customer service and operating efficiency.

Principal risks and uncertainties

The principal risk facing the group is a change in market conditions, which as noted above, is managed through constant review of market trends to enable swift cost base adjustment where needed and by our mix of services, which in addition to estate agency, include more stable and counter - cyclical services such as lettings and financial services. Expanding our geographic mix will further reduce our exposure to fluctuations in specific local markets.

As for most businesses, other risks and uncertainties include the loss of key personnel, clients, partners and suppliers.

By order of the Board.



P A Smith
Director

Date: 25 JUNE 2019

Colwyn House
Sheepen Place
Colchester
Essex
CO3 3LD

Directors' report

The directors present their report, strategic report and the financial statements for the year end 31 December 2018.

Directors of the company

The directors who held office during the year were as follows:

P A Smith

R B Jervis

J A Spence

L F E Pollington (resigned 25 May 2018)

A R Benn (resigned 31 August 2018)

M Hurdle (appointed 12 June 2019)

J M Phillips (appointed 12 June 2019)

Dividends

The directors do not recommend the payment of a dividend (2017: £5,020).

Financial instruments

The group's principal financial instruments include financial assets and liabilities such as trade debtors and trade creditors, which arise directly from its operations. Companies in the group also participate in a centralised treasury function pooling cash balances and lending or borrowing funds to companies within the group to fund operations.

Liquidity risk: The centralised treasury function helps to maximise interest income and minimise interest expense, whilst ensuring that the group has sufficient liquid resources to meet its operating needs.

Interest rate risk: The group is exposed to interest rate risks on its deposits and its revolving credit facility borrowings.

Credit risk: Investments of cash surpluses are made through banks and other reputable financial institutions as approved by the board. Trade debtors are monitored on an ongoing basis and provision is made for doubtful debts where necessary.

Employee involvement

Efforts have been made to consult with and inform employees on matters which concern them with emphasis on the continuing growth and development of the company. Communication is principally through the regional and branch management structure.

Political and charitable contributions

The group made charitable contributions during the year of £39,633 (2017: £36,696) and political contributions of £3,631 (2017: £1,735).

Disclosure of information to auditor

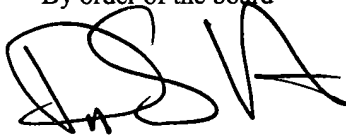
The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Directors' report (*continued*)

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board

A handwritten signature in black ink, appearing to read 'P A Smith', with a stylized flourish at the end.

P A Smith
Director

Date: 25 June 2019

Colwyn House
Sheepen Place
Colchester
Essex
CO3 3LD

Statement of directors' responsibilities in respect of the Strategic report, the Directors' report and the financial statements

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 they have elected to prepare the group and parent company financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), 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 of the group and parent company and of their profit or loss for that period. In preparing each of the group and parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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;
- assess the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.



KPMG LLP

Botanic House
100 Hills Road
Cambridge
CB2 1AR
United Kingdom

Independent auditor's report to the members of Spicerhaart Group Limited

Opinion

We have audited the financial statements of Spicerhaart Group Limited ("the company") for the year ended 31 December 2018 which comprise the Consolidated Profit and Loss Account and Other Comprehensive Income, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity and the Consolidated Cash Flow Statement and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2018 and of the group's profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

The impact of uncertainties due to the UK exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, such as the recoverability of the consolidated goodwill and trade debtors and company investments and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

Independent auditor's report to the members of Spicerhaart Group Limited

(continued)

Going concern *(continued)*

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 5, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the group and parent 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 they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Independent auditor's report to the members of Spicerhaart Group Limited

(continued)

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.

Mark Prince (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Botanic House
100 Hills Road
Cambridge
CB2 1AR

Date: 27 June 2019

Consolidated Profit and Loss Account and Other Comprehensive Income

for the year ended 31 December 2018

	<i>Notes</i>	2018 £000	2017 £000
Turnover	3	123,567	113,404
Operating costs		(121,866)	(112,148)
Gross profit		1,701	1,256
Amortisation of goodwill and intangible assets	9	(1,196)	(515)
Gain on revaluation of investment properties	14	15	15
Profit / (loss) on disposal of fixed assets and intangible assets	4	521	(742)
Operating profit	4	1,041	14
Interest receivable and similar income	5	369	246
Interest payable and similar charges	6	(198)	(146)
Profit on ordinary activities before taxation		1,212	114
Taxation	9	(360)	(166)
Profit / (loss) for the financial year		852	(52)
Total comprehensive income / (loss) for the financial year		852	(52)

Turnover and operating profit derive wholly from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

The notes on pages 15 to 30 form an integral part of these financial statements.

Consolidated Balance Sheet at 31 December 2018

	Notes	2018 £000	2017 £000
Fixed assets			
<i>Intangible assets</i>			
Goodwill	10	6,697	6,519
Other intangibles	10	3,508	3,081
		10,205	9,600
<i>Tangible assets</i>			
Investments	11	1,446	1,104
Tangible fixed assets	13	7,378	8,715
Investment properties	14	405	873
		9,229	10,692
		19,434	20,292
Current assets			
Debtors	15	12,230	11,332
Cash at bank and in hand		15,969	13,132
		28,199	24,464
Creditors: amounts falling due within one year	17	(15,682)	(14,175)
Net current assets		12,517	10,289
Total assets less current liabilities		31,951	30,581
Interest-bearing loans and borrowings	18	(8,699)	(8,657)
Provisions for liabilities	19	(3,065)	(2,589)
Net assets		20,187	19,335
Capital and reserves			
Called up share capital	20	9	9
Share premium account		240	240
Investment property revaluation reserve		82	82
Profit and loss account		19,806	18,954
Merger reserve		50	50
Equity shareholders' funds		20,187	19,335

These financial statements were approved by the board of directors on **25 June** 2019 and were signed on its behalf by


P A Smith
Director

Company registration number: 4081664

Colwyn House
Sheepen Place
Colchester
Essex
CO3 3LD

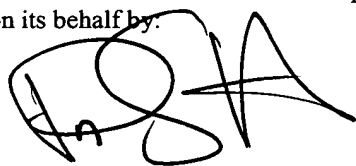
The notes on pages 15 to 30 form an integral part of these financial statements.

Company Balance Sheet

at 31 December 2018

	Note	2018	2017
		£000	£000
Fixed assets			
Investments	11	35,999	31,923
Debtors	15	7,607	5,561
Cash at bank and in hand		2,169	1,627
		<u>9,776</u>	<u>7,188</u>
Creditors: Amounts falling due within one year	17	<u>(26,822)</u>	<u>(19,268)</u>
Net current liabilities		<u>(17,046)</u>	<u>(12,080)</u>
Total assets less current liabilities		18,953	19,843
Interest-bearing loans and borrowings	18	<u>(8,699)</u>	<u>(8,657)</u>
Net assets		<u>10,254</u>	<u>11,186</u>
Capital and reserves			
Called up share capital	20	9	9
Share premium account		290	290
Profit and loss account		9,955	10,887
Shareholders' funds		<u>10,254</u>	<u>11,186</u>

These financial statements were approved by the board of directors on **25 JUNE** 2019 and were signed on its behalf by:



P A Smith
Director
Company registration number: 4081664

Colwyn House
Sheepen Place
Colchester
Essex
CO3 3LD

The notes on pages 15 to 30 form an integral part of these financial statements.

Consolidated Statement of Changes in Equity
for the year ended 31 December 2018

	Called up share capital £000	Share Premium £000	Revaluation Reserve £000	Merger Reserve £000	Profit and loss account £000	Total equity £000
At 1 January 2017	9	240	82	50	19,011	19,392
Total comprehensive income						
Loss for the year	-	-	-	-	(52)	(52)
Transactions with owners						
Dividends paid	-	-	-	-	(5)	(5)
At 31 December 2017	<u>9</u>	<u>240</u>	<u>82</u>	<u>50</u>	<u>18,954</u>	<u>19,335</u>
Total comprehensive income						
Profit for the year	-	-	-	-	852	852
At 31 December 2018	<u>9</u>	<u>240</u>	<u>82</u>	<u>50</u>	<u>19,806</u>	<u>20,187</u>

The notes on pages 15 to 30 form part of these financial statements.

Company Statement of Changes in Equity
for the year ended 31 December 2018

	Called up Share capital £000	Share Premium £000	Profit and loss account £000	Total equity £000
At 1 January 2017	9	290	14,223	14,522
Total comprehensive loss				
Loss for the year	-	-	(3,331)	(3,331)
Transactions with owners				
Dividends paid	-	-	(5)	(5)
At 31 December 2017	<u>9</u>	<u>290</u>	<u>10,887</u>	<u>11,186</u>
Total comprehensive loss				
Loss for the year	-	-	(932)	(932)
At 31 December 2018	<u>9</u>	<u>290</u>	<u>9,955</u>	<u>10,254</u>

The notes on pages 15 to 30 form part of these financial statements.

Consolidated Cash Flow Statement
for the year ended 31 December 2018

	<i>Note</i>	2018 £000	2017 £000
Cash flow statement			
Cash inflows from operating activities	26	4,564	3,345
Tax received / (paid)		66	(326)
Cash outflows from investing activities	27	(1,964)	(10,718)
Cash inflows from financing activities	27	171	8,744
		<hr/>	<hr/>
Increase in cash in the year		2,837	1,045
		<hr/>	<hr/>

Reconciliation of net cash flow to movement in net cash

Increase in cash in the year	28	2,837	1,045
		<hr/>	<hr/>
Movement in net cash in the year		2,837	1,045
Net cash at 1 January	28	13,132	12,087
		<hr/>	<hr/>
Net cash at 31 December	28	15,969	13,132
		<hr/>	<hr/>

The notes on pages 15 to 30 form an integral part of these financial statements.

Notes

(forming part of the financial statements)

1 Accounting policies

Spicerhaart Group Limited (the “Company”) is a private company limited by shares, incorporated, domiciled and registered in the UK. The registered number is 4081664 and the registered address is Colwyn House, Sheepen Place, Colchester, Essex, CO3 3LD.

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the applicable accounting standards.

These group and parent company financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland (“FRS 102”) as issued in August 2014. The amendments to FRS 102 issued in July 2016 and effective immediately have been applied. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The parent company is included in the consolidated financial statements, and is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12. The following exemptions available under FRS 102 in respect of certain disclosures for the parent company financial statements have been applied:

- The reconciliation of the number of shares outstanding from the beginning to the end of the period has not been included a second time;
- No separate parent company Cash Flow Statement with related notes is included; and
- Key Management Personnel compensation has not been included a second time.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Going concern

The group’s business activities, together with the factors likely to affect its future development and position, are set out in the Strategic Report on page 2.

The group are expected to continue to generate positive cash flows for the foreseeable future and the directors have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the group to continue as a going concern.

Notwithstanding net current liabilities of £17,046k as at 31 December 2018 in the company, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the company will have sufficient funds, through funding from its ultimate parent company, VRS Investment Limited, to meet its liabilities as they fall due for that period.

Those forecasts are dependent on not seeking repayment of the amounts currently due to the group, which at 31 December 2018 amounted to £26,768k, and providing additional financial support during that period. VRS Investments Limited has indicated its intention to continue to make available such funds as are needed by the company, and that it does not intend to seek repayment of the amounts due at the balance sheet date, for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Basis of consolidation

The consolidated financial statements include the financial statements of the company and its subsidiary undertakings made up to 31 December 2018. A subsidiary is an entity that is controlled by the parent. The results of subsidiary undertakings are included in the consolidated profit and loss account from the date that control commences until the date that control ceases. Control is established when the company has the power to govern the operating and financial policies of an entity so as to obtain benefits from its activities. In assessing control, the group takes into consideration potential voting rights that are currently exercisable.

Notes (continued)

1 Accounting policies (continued)

Basis of consolidation (continued)

Under Section 408 of the Companies Act 2006 the company is exempt from the requirement to present its own profit and loss account.

In the parent financial statements, investments in subsidiaries are carried at cost less impairment.

Business combinations

Business combinations are accounted for using the purchase method as at the acquisition date, which is the date on which control is transferred to the entity.

At the acquisition date, the group recognises goodwill at the acquisition date as:

- the fair value of the consideration transferred; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities and contingent liabilities assumed.

Investments

Investments are stated at cost less provision for diminution in value.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

The company assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated. The estimated useful lives are as follows:

Asset class	Depreciation method and rate
Freehold buildings	Straight line over 50 years
Leasehold improvements	Straight line over 5 years
Fixtures, fittings and office equipment	Straight line over 3 or 4 years
Motor vehicles	Straight line over 4 years

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

Leases

Rental costs under operating leases are charged to the profit and loss account in equal annual amounts over the periods of the leases.

Leasehold premiums and rent free periods are amortised over the remaining length of the lease.

Intangible assets and goodwill

Goodwill represents the excess of cost of acquisition over the fair value of the separable net assets of business acquired. Goodwill on consolidation is amortised through the profit and loss account in equal instalments over its expected useful life of 10 years.

Goodwill and other intangible assets are tested for impairment in accordance with Section 27 Impairment of assets when there is an indication that goodwill or an intangible asset may be impaired.

Brands and customer contracts

Brands represent the fair value of the BJB Group brand separately identified and recognised at the point of the acquisition during the year. Customer contracts represent the fair value of the lettings contracts separately identified and recognised within the BJB Group at the point of the acquisition during the year.

Notes (continued)

1 Accounting policies (continued)

Intangible assets and goodwill (continued)

Brands and customer contracts are amortised through the profit and loss in equal instalments over their expected useful life of 10 years.

Research and development

Expenditure on research activities is recognised in the profit and loss account as an expense as incurred.

Expenditure on development activities may be capitalised if the product or process is technically and commercially feasible and the company intends and has the technical ability and sufficient resources to complete development, future economic benefits are probable and if the company can measure reliably the expenditure attributable to the intangible asset during its development. Development activities involve design for, construction or testing of the production of new or substantially improved products or processes. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads and capitalised borrowing costs. Other development expenditure is recognised in the profit and loss account as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and less accumulated impairment loss.

Asset class	Amortisation method and rate
Other intangible assets, brands, customer contracts and goodwill	Straight line over 10 years
Development costs on intangible assets	Straight line over 3-5 years

Cash

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Pension costs

The company operates a defined contribution pension scheme. The assets of the scheme are invested and managed independently of the finances of the company. The pension cost charge represents contributions payable in the year.

Turnover

Commission earned on sales of residential and commercial property is recognised on the exchange of contract. Commission earned on financial services is recognised when insurance policies go on risk and when mortgage contracts complete with a provision for future clawback repayment in the event of early termination by the customer. Income from other services is recognised in the period or periods when the services are provided.

Investment properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are recognised initially at cost. Subsequently, investment properties whose fair value can be measured reliably without undue cost or effort are held at fair value. Any gains or losses arising from changes in the fair value are recognised in profit or loss in the period that they arise. No depreciation is provided in respect of investment properties applying the fair value model.

Provisions

A provision is recognised in the balance sheet when the entity has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Where the parent company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the company treats the guarantee contract as a contingent liability in its individual financial statements until such time as it becomes probable that the company will be required to make a payment under the guarantee.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Notes (continued)

1 Accounting policies (continued)

Taxation (continued)

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Operating lease

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

Interest receivable and Interest payable

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the entity's right to receive payments is established.

2 Acquisitions of businesses

Acquisitions in the current year

On 1 February 2018, the Group acquired 100% of the voting shares of B.C. Holt Limited for £491k, and on 29 June 2018, the Group acquired 100% of the voting shares of Howards (Estate Agents) Limited for £509k. Both companies work in the same industry as the Group. The businesses contributed revenue of £1,903k for the period from acquisition.

Effect of acquisition

The acquisitions had the following effect on the Company's/Group's assets and liabilities at the acquisition date.

	Book values £000	Fair value adjustments £000	Recognised values on acquisition £000
Acquirees' net assets at the acquisition date:			
Tangible fixed assets	74	(10)	64
Intangible assets	15	(15)	-
Trade and other debtors	485	(231)	254
Cash (note 27)	105	-	105
Trade and other creditors	(494)	-	(494)
	<hr/>	<hr/>	<hr/>
Net identifiable assets and liabilities	185	(256)	(71)
	<hr/>	<hr/>	<hr/>

Notes (continued)

2 Acquisition of businesses (continued)

Total cost of business combination:

Consideration paid:	
Initial cash price paid	967
Costs directly attributable to business combination	33
	<hr/>
Total consideration (note 11, 27)	1,000
	<hr/>
Goodwill on acquisition (note 10)	1,071
	<hr/>

Fair value adjustments were made to the net assets to reflect the amounts which management considered to be recoverable at the date of acquisition.

The expected useful life of goodwill stemming from this acquisition is 10 years, reflecting the period over which management expects to realise returns from its investment.

Acquisitions in the prior period

The businesses acquired in the comparative period contributed revenue of £7,538k to the revenue for the year. There were no changes in fair values and no changes on goodwill.

3 Turnover

Turnover comprises commission and fees receivable excluding VAT and is all generated in the UK. An analysis of turnover is given below:

	2018 £000	2017 £000
Rendering of services	100,816	95,156
Commission	22,751	18,248
	<hr/>	<hr/>
	123,567	113,404
	<hr/>	<hr/>

4 Operating profit

Operating profit is stated after charging / (crediting):

	2018 £000	2017 £000
Operating lease rentals		
Hire of land and buildings	5,847	5,358
Hire of other assets	5,007	5,137
Auditors remuneration		
Audit of these financial statements	13	13
Auditing of accounts of subsidiaries of the company pursuant to legislation	175	127
Other assurance services	12	-
Other accounting services	13	58
Tax compliance services	-	48
Other services	-	105
Depreciation of tangible fixed assets (note 13)	2,401	2,921
Amortisation of intangible assets (note 10)	1,196	515
Gain on revaluation of investment properties (note 14)	(15)	(15)
Profit on disposal of fixed assets (note 13)	(179)	(10)
Gain on listed investment (note 2, 27)	(342)	-
Non-recurring items		
Costs associated with cost reduction and restructuring programme	712	400
Costs in respect of abandoned IT project	-	752
	<hr/>	<hr/>

Notes (continued)

5 Interest receivable and similar income

	2018 £000	2017 £000
Bank interest receivable	326	140
Other interest receivable	34	106
Dividends receivable	9	-
	<u>369</u>	<u>246</u>

6 Interest payable and similar charges

	2018 £000	2017 £000
Bank interest payable	190	76
Other interest payable	8	70
	<u>198</u>	<u>146</u>

7 Directors' remuneration

	2018 £000	2017 £000
Directors' emoluments	1,625	1,245
Key management personnel remuneration	1,022	969
Pension contributions	65	66
	<u>2,712</u>	<u>2,280</u>

The highest paid director received emoluments of £454,376 (2017: £375,204) and pension contributions of £Nil (2017: £20,000). The group contributed to pension schemes on behalf of 3 (2017: 4) of the directors.

8 Staff number and costs

The average number of employees, employed by the group during the year was:

	2018 No.	2017 No.
Administration and support	618	601
Sales and other	1,237	1,314
	<u>1,855</u>	<u>1,915</u>
	<u>£000</u>	<u>£000</u>
Staff costs, including directors:		
Wages and salaries	63,722	58,477
Social security costs	7,140	6,619
Other pension costs (note 23)	1,061	753
	<u>71,923</u>	<u>65,849</u>

Notes (continued)

9 Taxation

Analysis of charge in year

	2018	2017
	£000	£000
<i>UK corporation tax</i>		
Current tax on income for the year	524	244
Adjustments in respect of prior periods	(25)	(98)
	<hr/>	<hr/>
Total corporation tax	499	146
<i>Deferred tax</i>		
Origination and reversal of timing differences	(45)	(114)
Adjustments in respect of prior periods	(94)	134
	<hr/>	<hr/>
Total deferred tax (note 16)	(139)	20
	<hr/>	<hr/>
Tax charge on profit on ordinary activities	360	166
	<hr/>	<hr/>

Factors affecting the tax charge for the current and prior year

The effective rate for 2018 is 19%, the weighted average of the applicable corporation tax rates during the year. The 20% rate was reduced to 19% from 1 April 2017. The effective rate for 2017 was 19.25%.

The total tax charge (2017: charge) is higher (2017: higher) than the standard rate of corporation tax in the UK, 19% (2017: 19.25%). The differences are explained below:

	2018	2017
	£000	£000
<i>Reconciliation of effective tax rate</i>		
Profit on ordinary activities before taxation	1,212	114
	<hr/>	<hr/>
Tax using the UK corporation tax rate of 19% (2017: 19.25%)	230	22
<i>Effects of:</i>		
Fixed asset differences	407	239
Expenses not deductible for tax purposes	49	824
Income not taxable for tax purposes	(192)	(1,009)
Adjustments in respect of prior periods - current tax	(25)	-
Adjustments in respect of prior periods - deferred tax	(94)	134
Adjustments to tax charge in respect of previous periods	-	(98)
Deferred tax not recognised	(20)	7
Change in tax rate on deferred tax balance	4	9
Capital gains	8	5
Other permanent differences	-	34
R&D expenditure credits	-	2
Group relief claimed	(7)	(3)
	<hr/>	<hr/>
Total tax charge included in profit and loss	360	166
	<hr/>	<hr/>

Factors affecting the future tax charge

A reduction in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) was substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly. The deferred tax asset at 31 December 2018 has been calculated based on these rates.

Notes (continued)

10 Intangible assets and goodwill

Group

	Development costs £000	Other intangibles Assets £000	Brands £000	Customer Contracts £000	Goodwill £000	Total £000
Cost						
At 1 January 2018	151	1,520	1,621	1,410	11,998	16,700
Additions	730	-	-	-	1,071	1,801
At 31 December 2018	881	1,520	1,621	1,410	13,069	18,501
Amortisation						
At 1 January 2018	-	1,520	54	47	5,479	7,100
Charge for the year	-	-	162	141	893	1,196
At 31 December 2018	-	1,520	216	188	6,372	8,296
Net book value						
At 31 December 2018	881	-	1,405	1,222	6,697	10,205
At 1 January 2018	151	-	1,567	1,363	6,519	9,600

Goodwill which has been recognised on business combinations is amortised through the profit and loss account in equal instalments over its expected useful life of 10 years.

11 Fixed asset investments

Group

	Loan notes £000	Shares in listed investments £000	Total £000
Cost			
At 1 January 2018	1,104	-	1,104
Transfers	(1,104)	1,104	-
Revaluation	-	342	342
At 31 December 2018	-	1,446	1,446
Net book value			
At 31 December 2018	-	1,446	1,446
At 1 January 2018	1,104	-	1,104

Notes (continued)

11 Fixed asset investments (continued)

Company	Shares in group undertakings £000	Loan notes £000	Shares in listed investments £000	Total £000
Cost				
At 1 January 2018	45,501	1,104	-	46,605
Additions (note 2, 27)	1,000	-	-	1,000
Transfers	-	(1,104)	1,104	-
Revaluations	-	-	342	342
At 31 December 2018	46,501	-	1,446	47,947
Provision for diminution in value				
At 1 January 2018	14,682	-	-	14,682
Movement in year	(2,734)	-	-	(2,734)
At 31 December 2018	11,948	-	-	11,948
Net book value				
At 31 December 2018	34,553	-	1,446	35,999
At 1 January 2018	30,819	1,104	-	31,923

12 Investment in subsidiary companies

The undertakings in which the company's interest at the year-end is more than 20% are as follows:

Shares in group undertakings	Registered office address*	Principal activity	Class of shares held
B.C. Holt Limited	A	Estate agency	Ordinary £1 shares
Butters John Bee Group Limited	A	Estate agency and property services	Ordinary £1 shares
Butters John Bee Limited	A	Estate agency	Ordinary £1 shares
BJB (Lettings) Limited	A	Property Management Services	Ordinary £1 shares
BJB Financial Services Limited	A	Financial Services	Ordinary £1 shares
BJB Professional Services Limited	A	Surveying and commercial property services	Ordinary £1 shares
Central Surveyors Limited	A	Surveying	Ordinary £1 shares
Chewton Rose Limited	A	Estate agency	Ordinary £1 shares
Darlows Limited	B	Estate agency	Ordinary £1 shares
Essex & Suffolk Development Company Limited	A	Property Investment	Ordinary £1 shares
Felicity Investments Limited	A	Dormant company	Ordinary £1 shares
Felicity J Lord Limited	A	Dormant company	Ordinary £1 shares
Haart Limited	A	Dormant company	Ordinary £1 shares
Haart Auctions Limited	A	Estate agency	Ordinary £1 shares
Haybrook Limited	A	Dormant company	Ordinary £1 shares
Haybrook Holdings Limited	A	Dormant company	Ordinary £1 shares
HIPs.co.uk Limited	A	Provider of EPC's	Ordinary £1 shares
Howards (Estate Agents Limited)	A	Estate agency	Ordinary £1 shares
Indigo Limited	A	Estate agency	Ordinary £1 shares
iSold.Com Limited	A	Dormant company	Ordinary £1 shares
Just Mortgages Limited	A	Financial services	Ordinary £1 shares
Mortgages Direct Limited	A	Financial services	Ordinary £1 shares
Move Legal Services Limited	A	Dormant company	Ordinary £1 shares
Okotoks Limited	A	Estate agency	Ordinary £1 shares
Spicerhaart Corporate Sales Limited	A	Financial services	Ordinary £1 shares
Spicerhaart Estate Agents Limited	A	Estate agency	Ordinary £1 shares

Notes (continued)

12 Investment in subsidiary companies (continued)

Shares in group undertakings	Registered office address*	Principal activity	Class of shares held
Spicerhaart Financial Services Limited	A	Provider of administrative services	Ordinary £1 shares
Spicerhaart Group Services Limited	A	Property Receiver services	Ordinary £1 shares
Spicerhaart Holdings Limited	A	Dormant company	Ordinary £1 shares
Spicerhaart Land & New Homes Limited	A	Dormant company	Ordinary £1 shares
Spicerhaart LPA Services Limited	A	Dormant company	Ordinary £1 shares
Spicerhaart Professional Services Limited	A	Ancillary services	Ordinary £1 shares
Spicerhaart Property Services Limited	A	Property management	Ordinary £1 shares
Spicerhaart Residential Lettings Limited	A	Property management services	Ordinary £1 shares
Spicer McColl Limited	A	Dormant company	Ordinary £1 shares
Spicer McColl Eastern Limited	A	Dormant company	Ordinary £1 shares
Spicer McColl (Estate Agents) Limited	A	Dormant company	Ordinary £1 shares
Spicer McColl Property Management	A	Dormant company	Ordinary £1 shares
Valuation Limited	A	Surveying	Ordinary £1 shares

*** Registered addresses:**

A: Colwyn House, Sheepen Place, Colchester, Essex, CO3 3LD

B: 19-19a Station Road, Llanishen, Cardiff, CF14 5LS, Wales

All subsidiary companies are wholly owned.

In addition to holding the entire called up ordinary share capital of Valuation Limited, Spicerhaart Group Limited is the holder of 3,000 preferred uncalled shares with an aggregate nominal value of £3,000,000. In accordance with the Articles of Association, Valuation Limited may issue call notices if there is a business cessation event requiring Spicerhaart Group Limited to pay to the company the Call Amount as defined by the Articles of Association.

13 Tangible fixed assets

Group	Land and buildings £000	Leasehold property improvements £000	Fixtures, fittings and office equipment £000	Motor Vehicles £000	Total £000
Cost					
At 1 January 2018	4,751	3,902	7,399	307	16,359
Acquisitions through business combinations	-	253	350	6	609
Additions	-	260	741	-	1,001
Disposals	-	(556)	(2,920)	-	(3,476)
At 31 December 2018	4,751	3,859	5,570	313	14,493
Depreciation					
At 1 January 2018	380	2,482	4,600	181	7,643
Acquisitions through business combinations	-	239	300	6	545
Charge for the year	90	647	1,625	39	2,401
Eliminated on disposals	2	(556)	(2,920)	-	(3,474)
At 31 December 2018	472	2,812	3,605	226	7,115
Net book value					
At 31 December 2018	4,279	1,047	1,965	87	7,378
At 1 January 2018	4,371	1,420	2,799	125	8,715

Notes (continued)

14 Investment properties

Group	Freehold land and buildings £000
Valuation	
At 1 January 2018	873
Revaluation	15
Disposals	(483)
	<hr/>
At 31 December 2018	405
	<hr/> <hr/>
Net book value	
At 31 December 2018	405
	<hr/> <hr/>
At 1 January 2018	873
	<hr/> <hr/>

The investment properties were revalued on 31 December 2018 by Valuation Limited who fall within the requirements set out by RICS Valuation Professional Standards and who is a valuer registered in accordance with the RICS Valuer Registration Scheme (VRS).

15 Debtors

	2018 Group £000	2018 Company £000	2017 Group £000	2017 Company £000
Trade debtors	7,469	-	6,667	-
Amounts owed by group companies	21	7,579	21	5,356
Prepayments and accrued income	3,280	-	2,998	-
Other debtors	1,106	28	1,388	205
Deferred tax (note 16)	354	-	215	-
Corporation tax	-	-	43	-
	<hr/>	<hr/>	<hr/>	<hr/>
	12,230	7,607	11,332	5,561
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Notes (continued)

16 Deferred taxation

The elements of deferred taxation are as follows:

Group	2018 £000	2017 £000
Capital allowances in arrears of depreciation	727	754
Capital gains	(158)	(220)
Short term timing differences	232	180
Deferred tax liability - arising on intangible assets recognised as part of business combinations	(447)	(499)
Total deferred tax asset (note 15)	354	215
Asset at start of year	215	792
Deferred tax credit / (charge) in profit and loss account (note 9)	139	(20)
Deferred tax liability on the intangible assets recognised on the acquisition of a subsidiary (note 2)	-	(515)
Deferred tax liability – arising on the acquisition of a subsidiary (note 2)	-	(42)
Asset at end of year (note 15)	354	215

The following deferred tax assets have not been recognised in the balance sheet, and would be recoverable in the event of sufficient future taxable profits in the relevant companies.

	2018 £000	2017 £000
Tax losses carried forward	661	520

17 Creditors: Amounts falling due within one year

	2018 Group £000	2018 Company £000	2017 Group £000	2017 Company £000
Trade creditors	1,789	-	1,385	4
Amounts owed to group companies	-	26,768	-	19,220
Corporation tax	521	3	-	-
Other taxation and social security	5,496	-	4,300	-
Other creditors and accruals	7,876	51	8,490	44
	15,682	26,822	14,175	19,268

Notes (continued)

18 Interest-bearing loans and borrowings

This note provides information about the contractual terms of the Group's and parent Company's interest-bearing loans and borrowings, which are measured at amortised cost.

	2018 £000	2017 £000
Creditors falling due more than one year		
Secured bank loan	8,699	8,657
	<u>8,699</u>	<u>8,657</u>

Terms and debt repayment schedule

Bank	Currency	Nominal interest rate	Year of maturity	Repayment schedule	2018 £000	2017 £000
HSBC Bank plc	GBP	LIBOR+margin in 2018 1.4%	2020	At maturity	8,699	8,657
					<u>8,699</u>	<u>8,657</u>

The HSBC bank loan is secured with fixed and floating charges over the assets of the company and in relation to the shareholding of its immediate parent and material subsidiaries.

19 Provisions for liabilities

	Onerous lease provisions £000	Clawback provisions £000	Dilapidations provisions £000	PI claims provisions £000	Total £000
At 1 January 2018	441	953	791	404	2,589
Additional provision made during the year	408	266	700	201	1,575
Unused amounts reversed during the years	-	-	(389)	(165)	(554)
Utilised during the year	(369)	-	(112)	(64)	(545)
At 31 December 2018	<u>480</u>	<u>1,219</u>	<u>990</u>	<u>376</u>	<u>3,065</u>

The company recognises a provision for the estimated costs for dilapidations that may become payable under the terms of the current leasehold property contracts at the end of the lease. The costs are accrued over the life of the lease and reassessed each year.

The professional indemnity claims provision is based on the company's best estimate of the likely outcome of notified claims and future claims. The ultimate outcome of the claims will be affected by various factors that are difficult to predict. The timing of the eventual payment of claims is not always possible to predict.

The above clawback provisions relate to an estimation of the insurer clawback of commission following the lapse of policies recognised as income over the period. The key assumption in this accounting estimate is the future lapse rate.

A provision has been recognised for expected losses as a result of unutilised leasehold properties. The provision is calculated based on the future lease commitments less any future income derived from the property.

Notes (continued)

20 Share Capital

Group and company

	2018 £000	2017 £000
<i>Equity shares: allotted, called up and fully paid</i>		
89,500 ordinary shares of £0.10 each	9	9
<i>Non-equity shares</i>		
1,000 non-participating non-voting deferred shares of £0.10 each	-	-
10,500 non-participating non-voting growth shares of £0.01 each	-	-
	<u>9</u>	<u>9</u>

All ordinary shares have full and equal voting and participation rights.

21 Dividends

Group and company

	2018 £000	2017 £000
Current year interim dividend paid	-	5
	<u>-</u>	<u>5</u>

22 Parent company profit and loss account

As permitted by Part 15 of the Companies Act 2006 the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's loss for the financial year was £931,692 (2017: loss of £3,330,517).

23 Pension schemes

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £1,060,737 (2017: £753,145).

Contributions totalling £56,289 (2017: £53,333) were payable to the scheme at the end of the year and are included in creditors.

Notes (continued)

24 Operating leases

Non-cancellable operating lease rentals are payable as follows:

Group	2018 £000	2017 £000
Land and buildings		
Within one year	3,261	3,427
Two to five years	6,614	5,889
Over five years	867	1,599
	<u>10,742</u>	<u>10,915</u>
Other		
Within one year	3,046	3,798
Two to five years	1,938	3,225
Over five years	-	-
	<u>4,984</u>	<u>7,023</u>

25 Contingent liabilities

The company has cross guarantees in place with other companies in the Spicerhaart Group Limited group of companies in respect of its financing arrangements.

26 Reconciliation of profit / (loss) to operating cash flows

	2018 £000	2017 £000
Profit / (loss) for the year	852	(52)
Interest receivable and similar income	(369)	(246)
Interest payable and similar charges	198	146
Taxation	360	166
Depreciation, impairment and amortisation	3,639	4,202
Profit on disposal of properties	(179)	-
Gain on revaluation of investment properties (note 14)	(15)	(15)
Gain on revaluation of listed investment	(342)	-
Increase in debtors	(548)	(1,121)
Increase in creditors	492	201
Increase in provisions	476	64
Net cash inflow from operating activities	<u>4,564</u>	<u>3,345</u>

Notes (continued)

27 Analysis of cash flows

	2018		2018
	£000	£000	£000
Cash flows from financing activities			
Interest received	162		100
Proceeds from new loan	-		8,644
Dividends received	9		-
	<u>171</u>		<u>8,744</u>
Cash flows from investing activities			
Purchase of tangible fixed assets (note 13)	(1,001)		(1,880)
Capitalisation of intangible development costs	(730)		-
Sale of investment properties (note 14)	662		-
Acquisition of business (note 2, 11)	(1,000)		(8,123)
Bank balances acquired in business acquisitions (note 2)	105		(465)
Increase in investments	-		(250)
	<u>(1,964)</u>		<u>(10,718)</u>

28 Analysis of changes in cash

	At 1 January 2018 £000	Cash flow £000	At 31 December 2018 £000
Cash at bank and in hand	13,132	2,837	15,969
Total cash at bank and in hand	<u>13,132</u>	<u>2,837</u>	<u>15,969</u>

29 Ultimate parent company and parent company of larger group

The ultimate parent company is VRS Investments Limited, registered at Colwyn House, Sheepen Place, Colchester, Essex, CO3 3LD. Copies of the consolidated group accounts of VRS Investments Limited can be obtained at the company's office address Colwyn House, Sheepen Place, Colchester, Essex, CO3 3LD.

P A Smith, by virtue of his 100% ownership of VRS Investments Limited, is the ultimate controlling party of Spicerhaart Group Limited.

30 Related party transactions

The company has taken advantage of the exemption provided by FRS 102 Section 33 paragraph 1A and has not disclosed transactions with wholly-owned group companies.

31 Subsequent events

There were no significant events after the balance sheet date.