

Report of the Director and
Financial Statements for the Year Ended 31 December 2012
for
Foxtons Group Limited

FRIDAY



L2DW40C1

LD6

02/08/2013

#23

COMPANIES HOUSE

TU

L2D72GE1

LD5

23/07/2013

#40

COMPANIES HOUSE

Foxtons Group Limited (Registered number 06054477)

Contents of the Financial Statements
for the Year Ended 31 December 2012

	Page
Company Information	1
Report of the Director	2
Report of the Independent Auditor	4
Profit and Loss Account	5
Balance Sheet	6
Notes to the Financial Statements	7

Foxtons Group Limited

Company Information
for the Year Ended 31 December 2012

DIRECTOR: M R Brown

SECRETARY K Daly

REGISTERED OFFICE: Building One
Chiswick Park
566 Chiswick High Road
London

REGISTERED NUMBER: 06054477 (England and Wales)

AUDITOR Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom

Report of the Director
for the Year Ended 31 December 2012

The director presents his report with the financial statements of the company for the year ended 31 December 2012

The director's report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of an investment holding company

The group's trading subsidiaries are Foxtons Limited and Alexander Hall Associates Limited. The principal activities of these companies are that of estate agency and mortgage broking respectively

REVIEW OF BUSINESS

Given the nature of the business, that of a holding company, the company's director is of the opinion that analysis using key performance indicators for an understanding of the development, performance or position of the business is not relevant

GOING CONCERN

The director continues to adopt the going concern basis in preparing the financial statements. See note 1 for further information

RESULTS

The profit after tax for the year amounted to £90,137,561 (2011: £nil)

Dividends totalling £90,538,497 were received from Foxtons Limited

The result for the year was partially offset by an impairment of the investment in Alexander Hall Associates Limited. Although Alexander Hall Associates Ltd recorded a profit before tax in 2012, the mortgage intermediary market remains weak. Consequently, it is difficult to justify at this point in time maintaining the full investment value attributable to AH of £1m. Management have taken the prudent approach to write down this balance to the value of underlying net assets. However, Management remains committed to creating a sustainable long term profitable mortgage intermediary business

DIVIDENDS

Dividends totalling £90,538,497 were distributed for the year ended 31 December 2012 (2011: £nil)

DIRECTOR

M R Brown held office during the whole of the period from 1 January 2012 to the date of this report

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

In respect of loans guaranteed by the company these are held in the group company, Foxtons Intermediate Holdings 3 Limited. This company meets the loan and interest payments

Report of the Director (continued)
for the Year Ended 31 December 2012

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Report of the Director and the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the director is required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company and the Group will continue in business

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

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

AUDITOR

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

ON BEHALF OF THE BOARD:



M R Brown - Director

26 April 2013

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FOXTONS GROUP LIMITED

We have audited the financial statements of Foxtons Group Limited for the year ended 31 December 2012 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 14. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

Respective responsibilities of director and auditor

As explained more fully in the Statement of Director's Responsibilities, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the director, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2012 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of director's remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to take advantage of the small companies exemption in preparing the directors' report.



Richard Muschamp (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom
26 April 2013

Foxtons Group Limited (Registered number 06054477)

Profit and Loss Account
for the Year Ended 31 December 2012

	Notes	2012 £	2011 £
TURNOVER		-	-
OPERATING PROFIT	4	-	-
Income from shares in group undertakings		<u>90,538,497</u>	<u>-</u>
		90,538,497	-
Amounts written off investments	5	<u>(400,936)</u>	<u>-</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		90,137,561	-
Tax on profit on ordinary activities	6	<u>-</u>	<u>-</u>
PROFIT FOR THE FINANCIAL YEAR		<u><u>90,137,561</u></u>	<u><u>-</u></u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year

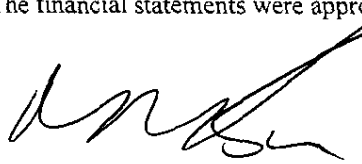
TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profit for the current year

Balance Sheet
31 December 2012

	Notes	2012 £	2011 £
FIXED ASSETS			
Investments	8	<u>8,662,521</u>	<u>9,063,457</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u><u>8,662,521</u></u>	<u><u>9,063,457</u></u>
CAPITAL AND RESERVES			
Called up share capital	9	10,311	10,311
Share premium	10	9,053,146	9,053,146
Profit and loss account	10	<u>(400,936)</u>	<u>-</u>
SHAREHOLDERS' FUNDS	14	<u><u>8,662,521</u></u>	<u><u>9,063,457</u></u>

The financial statements were approved by the director on 24 April 2013 and were signed by



M R Brown - Director

Notes to the Financial Statements
for the Year Ended 31 December 2012

1 GOING CONCERN

The company holds investments in companies with considerable financial resources, which are expected to continue trading profitably and generating positive cash flows. As a consequence, the director believes that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook. After making enquiries, the director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, he continues to adopt the going concern basis in preparing the financial statements.

2 ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements are prepared in accordance with applicable United Kingdom accounting standards and law. The principal accounting policies, all of which have been applied consistently throughout both the current and preceding year, are set out below.

Accounting convention

The financial statements have been prepared under the historical cost convention.

Preparation of consolidated financial statements

The financial statements contain information about Foxtons Group Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertaking are included by full consolidation in the consolidated financial statements of its parent, Adnams BBPM Group Ltd, a company registered in England and Wales.

Financial Reporting Standard Number 1

Exemption has been taken from preparing a cash flow statement on the grounds that the parent company includes the subsidiary in its published financial statements.

Investments

Fixed asset investments are shown at cost less provision for impairment.

Taxation

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

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

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

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

Dividends

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

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

Notes to the Financial Statements - continued
for the Year Ended 31 December 2012

3 STAFF COSTS

The company does not have any employees (2011 nil)

The director did not receive any remuneration in respect of their services to the company during the year (2011 £nil)

4 OPERATING PROFIT

Auditor's remuneration of £2,000 (2011 £2,000) is borne by Foxtons Limited

The auditor did not provide any non-audit services to the company during the year (2011 £nil)

5 AMOUNTS WRITTEN OFF INVESTMENTS

	2012 £	2011 £
Amounts written off investments	<u>400,936</u>	<u>-</u>

6 TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31 December 2012 nor for the year ended 31 December 2011

7 DIVIDENDS

	2012 £	2011 £
Ordinary Class 'A' Shares of £1.00 each		
Final	16,000,000	-
Interim	<u>74,538,497</u>	<u>-</u>
	<u>90,538,497</u>	<u>-</u>

8 FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 January 2012	9,063,457
Impairments	<u>(400,936)</u>
At 31 December 2012	<u>8,662,521</u>
NET BOOK VALUE	
At 31 December 2012	<u>8,662,521</u>
At 31 December 2011	<u>9,063,457</u>

8 FIXED ASSET INVESTMENTS - continued

Although Alexander Hall Associates Ltd recorded a profit before tax in 2012, the mortgage intermediary market remains weak. Consequently, it is difficult to justify at this point in time maintaining the full investment value attributable to AH of £1m. Management have taken the prudent approach to write down this balance to the value of net assets. However, Management remains committed to creating a sustainable long term profitable mortgage intermediary business.

The company owns 100% of the issued share capital of the companies listed below, each of which are incorporated in the United Kingdom. Foxtons Limited's principal activity is that of an estate agency and Alexander Hall Associates Limited is that of a mortgage broker.

	2012 £	2011 £
Aggregate capital and reserves		
Foxtons Limited	2,216,217	69,742,856
Alexander Hall Associates Limited	<u>659,915</u>	<u>606,549</u>
Profit/(loss) for the year		
Foxtons Limited	23,011,858	24,849,847
Alexander Hall Associates Limited	<u>53,366</u>	<u>(691,203)</u>

9 CALLED UP SHARE CAPITAL

Authorised, called up, allotted and fully paid

Number	Class	Nominal value	2012 £	2011 £
10,002	Ordinary Class 'A' Shares	1 00	10,002	10,002
309	Ordinary Class 'B' Shares	1 00	<u>309</u>	<u>309</u>
			<u>10,311</u>	<u>10,311</u>

'A' ordinary and 'B' ordinary shares rank pari-passu

10 RESERVES

	Profit and loss account	Share premium £	Total £
At 1 January 2012	-	9,053,146	9,053,146
Investment write off	<u>(400,936)</u>	-	<u>(400,936)</u>
At 31 December 2012	<u>(400,936)</u>	<u>9,053,146</u>	<u>8,652,210</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2012

11 ULTIMATE PARENT COMPANY

Foxtons Intermediate Holdings 3 Limited is the immediate parent undertaking of Foxtons Group Limited. From 1 January 2012 to 14 March 2012, the ultimate holding company and controlling party of the company was Adnams BBPM Limited. From 15 March 2012, CIE Management II Limited, general partner to funds advised by BC Partners, represents the ultimate parent undertaking and controlling party of Foxtons Group Limited.

The parent company of the smallest group to consolidate Foxtons Group Limited is Adnams BBPM Limited. The parent company of the largest group to consolidate Foxtons Group Limited is Adnams BBPM Group Limited.

12 CONTINGENT LIABILITIES

At year end the company had a cross guarantee in place in respect of the bank borrowings of one of the holding companies. At 31 December 2012 the maximum potential liability under the cross guarantee amounted to £67,165,199 (2011: £87,198,531).

The exposure has fallen due to capital repayments during the year.

13 RELATED PARTY DISCLOSURES

The company has taken advantage of the exemption in Financial Reporting Standard 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by its parent company Adnams BBPM Limited.

14 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2012 £	2011 £
Profit for the financial year	90,137,561	-
Dividends	(90,538,497)	-
Net (reduction)/addition to shareholders' funds	(400,936)	-
Opening shareholders' funds	9,063,457	9,063,457
Closing shareholders' funds	8,662,521	9,063,457