

Report of the Director and
Financial Statements for the Year Ended 31 December 2013
for
Foxtons Operational Holdings Limited
Registered number: 06054477

TUESDAY



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Foxtons Operational Holdings Limited

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for the Year Ended 31 December 2013

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Foxtons Operational Holdings Limited

Company Information
for the Year Ended 31 December 2013

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 2013

The director presents his report with the financial statements of the company for the year ended 31 December 2013.

The Report of the director 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 before tax for the year amounted to £36,600,000 (2012: £90,137,561).

Dividends totalling £36,600,000 were received from Foxtons Limited.

DIVIDENDS

Dividends totalling £36,199,000 were paid during the year ended 31 December 2013 (2012: £90,538,497).

DIRECTOR

M R Brown held office during the whole of the period from 1 January 2013 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

The person who is a director at the date of approval of this report confirms that:

- 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
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

AUDITOR

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

APPROVED AND SIGNED BY THE DIRECTOR:



M R Brown - Director

8 April 2014

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 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.

Report of the Independent Auditor to the Members of
Foxtons Operational Holdings Limited

We have audited the financial statements of Foxtons Operational Holdings Limited for the year ended 31 December 2013 which comprise the profit and loss account, the balance sheet and the related notes 1 to 13. 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 directors and auditor

As explained more fully in the Statement of Director's Responsibilities, the directors are 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 directors; 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 2013 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 Report of the Directors 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 my 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; or
- the director was not entitled to take advantage of the small companies exemption from preparing a Strategic Report or in preparing a Report of the Director.



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

Date: 8 April 2014

Foxtons Operational Holdings Limited

Profit and Loss Account
for the Year Ended 31 December 2013

	Notes	2013 £	2012 £
TURNOVER		-	-
OPERATING PROFIT	4	-	-
Income from shares in group undertakings		<u>36,600,000</u>	<u>90,538,497</u>
		36,600,000	90,538,497
Amounts written off investments	5	<u>-</u>	<u>(400,936)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		36,600,000	90,137,561
Tax on profit on ordinary activities	6	<u>-</u>	<u>-</u>
PROFIT FOR THE FINANCIAL YEAR		<u><u>36,600,000</u></u>	<u><u>90,137,561</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 profits for the current year or previous year and thus no statement of total recognised gains and losses has been presented.

Foxtons Operational Holdings Limited

Balance Sheet
31 December 2013

	Notes	2013 £	2012 £
FIXED ASSETS			
Investments	8	8,662,521	8,662,521
CURRENT ASSETS			
Debtors	9	<u>401,000</u>	<u>-</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>9,063,521</u>	<u>8,662,521</u>
CAPITAL AND RESERVES			
Called up share capital	10	10,311	10,311
Share premium	11	9,053,146	9,053,146
Profit and loss account	11	<u>64</u>	<u>(400,936)</u>
SHAREHOLDER FUNDS	13	<u>9,063,521</u>	<u>8,662,521</u>

The financial statements for Foxtons Operational Holdings Limited, registered number 06054477, were approved by the director on 8 April 2014 and were signed by:



M R Brown - Director

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 Operational Holdings 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 ultimate parent, Foxtons Group plc, 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 Foxtons Group plc which owns 100% of Foxtons Operational Holdings Limited, includes the subsidiary in its published financial statements and that the company is entitled to take the small companies exemption.

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 considers that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be 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 shareholder, or in the case of interim dividends, when paid.

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

3. **STAFF COSTS**

The company does not have any employees (2012: nil).

The director did not receive any remuneration in respect of his services to the company during the year (2012: £nil).

4. **OPERATING PROFIT**

Auditor's remuneration of £3,000 (2012: £2,000) is borne by Foxtons Limited.

The auditor did not provide any non-audit services to the company during the year (2012: £nil).

5. **AMOUNTS WRITTEN OFF INVESTMENTS**

	2013	2012
	£	£
Amounts written off investments	<u>-</u>	<u>400,936</u>

6. **TAXATION**

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31 December 2013 nor for the year ended 31 December 2012.

7. **DIVIDENDS**

	2013	2012
	£	£
Ordinary Class 'A' Shares of 1.00 each		
Final (equivalent to £872.85 per share, 2012: £1,551.74 per share)	9,000,000	16,000,000
Interim (equivalent to £2,637.86 per share, 2012: £7,229.03 per share)	<u>27,199,000</u>	<u>74,538,497</u>
	<u>36,199,000</u>	<u>90,538,497</u>

8. **FIXED ASSET INVESTMENTS**

	Cost of investment £
COST	
At 1 January 2013	
and 31 December 2013	<u>8,662,521</u>
NET BOOK VALUE	
At 31 December 2013	<u>8,662,521</u>
At 31 December 2012	<u>8,662,521</u>

8. FIXED ASSET INVESTMENTS - continued

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

	2013 £	2012 £
Aggregate capital and reserves		
Foxtons Limited	6,099,081	2,216,217
Alexander Hall Associates Limited	<u>950,165</u>	<u>659,915</u>
Profit/(loss) for the year		
Foxtons Limited	38,402,903	23,011,858
Alexander Hall Associates Limited	<u>290,250</u>	<u>53,366</u>

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013 £	2012 £
Amounts owed by group undertakings	<u>401,000</u>	<u>-</u>

10. CALLED UP SHARE CAPITAL

Authorised, called up, allotted and fully paid:

Number:	Class:	Nominal value:	2013 £	2012 £
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.

11. RESERVES

	Profit and loss account £	Share premium £	Totals £
At 1 January 2013	(400,936)	9,053,146	8,652,210
Profit for the year	36,600,000		36,600,000
Dividends paid	(36,199,000)		(36,199,000)
	<u>.64</u>	<u>9,053,146</u>	<u>9,053,210</u>
At 31 December 2013			

12. ULTIMATE PARENT COMPANY

Foxtons Intermediate Holdings Limited is the immediate parent undertaking of Foxtons Operational Holdings Limited. From 1 January 2013 to 20 September 2013, the ultimate holding company and controlling party of the company was CIE Management II Limited, general partner to funds advised by BC Partners. From then on Foxtons Group plc represents the ultimate parent undertaking and controlling party of Foxtons Operational Holdings Limited. The consolidated financial statements of Foxtons Group plc are publicly available at www.foxtongroup.co.uk, consequently, the company is exempt under the terms of Financial Reporting Standard No. 8 from disclosing transactions with companies that are 100% owned within the Group.

Foxtons Group plc is the only undertaking in which the results of Foxtons Operational Holdings Limited are consolidated.

13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER FUNDS

	2013 £	2012 £
Profit for the financial year	36,600,000	90,137,561
Dividends	<u>(36,199,000)</u>	<u>(90,538,497)</u>
Net addition/(reduction) to shareholder funds	401,000	(400,936)
Opening shareholder funds	<u>8,662,521</u>	<u>9,063,457</u>
Closing shareholder funds	<u><u>9,063,521</u></u>	<u><u>8,662,521</u></u>