

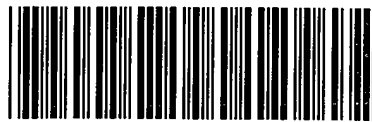
Financial Statements for the Year Ended 31 December 2014

for

Foxtons Operational Holdings Limited

Registered number: 06054477

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Foxtons Operational Holdings Limited

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for the Year Ended 31 December 2014

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Foxtons Operational Holdings Limited

Company Information
for the Year Ended 31 December 2014

DIRECTORS:

N Budden
G Nieslony

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

Foxtons Operational Holdings Limited

Report of the Directors for the Year Ended 31 December 2014

The directors present their report with the financial statements of the company for the year ended 31 December 2014.

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

RESULTS

The profit after tax for the year amounted to £29.5m (2013: £36.6m).

DIVIDENDS

Dividends totalling £29,501,000 were paid during the year ended 31 December 2014 (2013: £36,199,000).

DIRECTORS

The directors who have held office during the period from 1 January 2014 to the date of this report are as follows:

M R Brown - resigned 1 July 2014
N Budden - appointed 1 July 2014
G Nieslony - appointed 1 July 2014

GOING CONCERN

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

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.

POST BALANCE SHEET EVENTS

There have been no material post balance sheet events that would require disclosure or adjustment to these financial statements.

FUTURE DEVELOPMENTS

The company will continue to operate in this capacity going forward.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Foxtons Operational Holdings Limited

Report of the Directors ,
for the Year Ended 31 December 2014

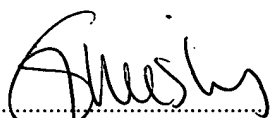
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are 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 each 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.

AUDITOR

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

ON BEHALF OF THE BOARD:



.....
G Nieslony - Director

Date: 17/9/2015

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 2014 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 12. 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 Directors' Responsibilities Statement, 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 2014 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.

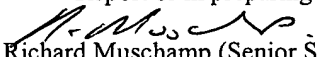
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the directors were not entitled to take advantage of the small companies exemption from preparing a Strategic Report or 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

Date: 17.9.15

Foxtons Operational Holdings Limited

Profit and Loss Account
for the Year Ended 31 December 2014

	Notes	2014 £	2013 £
TURNOVER		-	-
Administrative expenses		<u>(43)</u>	<u>-</u>
OPERATING LOSS	4	(43)	-
Income from shares in group undertakings		<u>29,502,000</u>	<u>36,600,000</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		29,501,957	36,600,000
Tax on profit on ordinary activities	5	<u>-</u>	<u>-</u>
PROFIT FOR THE FINANCIAL YEAR		<u>29,501,957</u>	<u>36,600,000</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.

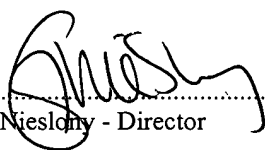
The notes form part of these financial statements

Foxtons Operational Holdings Limited (Registered number: 06054477)

Balance Sheet
31 December 2014

	Notes	2014 £	2013 £
FIXED ASSETS			
Investments	7	8,662,521	8,662,521
CURRENT ASSETS			
Debtors	8	400,950	401,000
Cash in hand		<u>1,007</u>	<u>-</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>9,064,478</u>	<u>9,063,521</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>1,021</u>	<u>64</u>
SHAREHOLDERS' FUNDS	12	<u>9,064,478</u>	<u>9,063,521</u>

The financial statements were approved by the Board of Directors on 17/9/2015 and were signed on its behalf by:


.....
G Nieslony - Director

The notes form part of these financial statements

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 directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook. After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue 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 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 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 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 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.

Foxtons Operational Holdings Limited

Notes to the Financial Statements - continued
for the Year Ended 31 December 2014

3. **STAFF COSTS**

The company does not have any employees (2013: nil).

The directors did not receive any remuneration in respect of their services to the company during the year (2013: £nil).

4. **OPERATING LOSS**

Auditor's remuneration of £3,075 (2013: £3,000) is borne by Foxtons Limited.

The auditor did not provide any non-audit services to the company during the year (2013: £nil).

5. **TAXATION**

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31 December 2014 nor for the year ended 31 December 2013.

The UK corporation tax rate was 23% for the period to 31 March 2014 and 21% thereafter. A further reduction in the rate of corporation tax to 19% from April 2017 and 18% from April 2020 has been announced but had not been substantively enacted at the balance sheet date. As this legislation was not substantively enacted at the balance sheet date, the rate reduction is not reflected in these financial statements. This is in accordance with FRS 21, as the rate change is a non-adjusting event occurring after the reporting period.

6. **DIVIDENDS**

	2014 £	2013 £
Ordinary Class 'A' Shares of 1.00 each		
Interim 286,112 pence per share (2013: 351,072 pence per share)	<u>29,501,000</u>	<u>36,199,000</u>

7. **FIXED ASSET INVESTMENTS**

	Shares in group undertakings £
COST	
At 1 January 2014	
and 31 December 2014	<u>8,662,521</u>
NET BOOK VALUE	
At 31 December 2014	<u>8,662,521</u>
At 31 December 2013	<u>8,662,521</u>

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.

	2014 £	2013 £
Aggregate capital and reserves		
Foxtons Limited	10,225,354	6,099,081
Alexander Hall Associates Limited	<u>811,484</u>	<u>950,165</u>
Profit for the year		
Foxtons Limited	32,628,117	38,402,903
Alexander Hall Associates Limited	<u>783,318</u>	<u>290,250</u>

Foxtons Operational Holdings Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2014**

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014 £	2013 £
Amounts owed by group undertakings	<u>400,950</u>	<u>401,000</u>

9. CALLED UP SHARE CAPITAL

Authorised, called up, allotted and fully paid:

Number:	Class:	Nominal value:	2014 £	2013 £
10,311	Ordinary Shares	1.00	<u>10,311</u>	<u>10,311</u>

10. RESERVES

	Profit and loss account £	Share Premium £	Totals £
At 1 January 2014	64	9,053,146	9,053,210
Profit for the year	29,501,957	-	29,501,957
Dividends paid	<u>(29,501,000)</u>	<u>-</u>	<u>(29,501,000)</u>
At 31 December 2014	<u>1,021</u>	<u>9,053,146</u>	<u>9,054,167</u>

11. ULTIMATE PARENT COMPANY

Foxtons Intermediate Holdings Limited is the immediate parent undertaking of Foxtons Operational Holdings Limited. 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.foxtons.co.uk, with a registered office of Building One, Chiswick Park, 566 Chiswick High Road, London. 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.

12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2014 £	2013 £
Profit for the financial year	29,501,957	36,600,000
Dividends	<u>(29,501,000)</u>	<u>(36,199,000)</u>
Net addition to shareholders' funds	957	401,000
Opening shareholders' funds	<u>9,063,521</u>	<u>8,662,521</u>
Closing shareholders' funds	<u>9,064,478</u>	<u>9,063,521</u>