

Company Registration No. 06054477

Foxtons Operational Holdings Limited

Annual Report and Financial Statements

For year ended 31 December 2017

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Foxtons Operational Holdings Limited

Annual report and financial statements 2017

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Foxtons Operational Holdings Limited

Annual report and financial statements 2017

Company information

Directors

N Budden
M Berry

Company Secretary

J McDonald

Registered Office

Building One
Chiswick Park
566 Chiswick High Road
London
W4 5BE

Registered Number

06054477 (England and Wales)

Bankers

Barclays Bank PLC Level 28
1 Churchill Place
London
E14 5HP

Solicitors

Dickson Minto WS
Broadgate Tower
20 Primrose Street
London
EC2A 2EW

Auditor

Deloitte LLP
Statutory Auditor
London
United Kingdom

Foxtons Operational Holdings Limited

Directors' report

The directors present their annual report with the audited financial statements of the company for the year ended 31 December 2017.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies. The directors have taken advantage of section 414B whereby the company is exempt from preparing a strategic report.

Principal activity

The principal activity of the company in the year under review was that of a holding company.

Dividends

Dividends totalling £nil were paid during the year ended 31 December 2017 (2016: £15,000k). No further dividends were proposed.

Directors

The directors shown below have held office during the whole of the period from 1 January 2017 to the date of this report.

N Budden

The following directors were appointed or resigned from 1 January 2017 to the date of this report:

M Berry appointed on 31 January 2018

G Nieslony resigned on 31 January 2018

Going concern

The Directors continue to adopt the going concern basis in preparing the financial statements. See note 2 for further information.

Future developments

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

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

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.

Approved on behalf of the Board:



M Berry
Director

Date: 25th September 2018.

Foxtons Operational Holdings Limited

Directors' responsibilities statement

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), including FRS 101 "Reduced Disclosure Framework". 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 judgements and accounting estimates that are reasonable and prudent;
- 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

Independent auditor's report to the members of Foxtons Operational Holdings Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Foxtons Operational Holdings Limited (the 'company') which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity; and
- the related notes 1 to 11.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing a strategic report.

We have nothing to report in respect of these matters.



Claire Faulkner (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom

Date:

26 September 2018

Foxtons Operational Holdings Limited

Statement of comprehensive income For the year ended 31 December 2017

| | Notes | 2017 £'000 | 2016 £'000 |
|--|-------|---------------|---------------|
| Continuing operations | | | |
| Operating result | | - | - |
| Income from shares in group undertakings | | 1,200 | 15,000 |
| Profit before tax | 4 | 1,200 | 15,000 |
| Tax | 5 | - | - |
| Profit and total comprehensive income for the year | | 1,200 | 15,000 |

Income from shares in group undertakings is derived from continuing operations.

The notes form part of these financial statements,

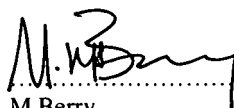
Foxtons Operational Holdings Limited

Statement of financial position As at 31 December 2017

| | Notes | 2017 £'000 | 2016 £'000 |
|---|-------|---------------|---------------|
| Non-current assets | | | |
| Investments | 7 | 8,662 | 8,662 |
| Current assets | | | |
| Trade and other receivables | 8 | 3,322 | 4,215 |
| Cash at bank and in hand | | 1 | 1 |
| | | 3,323 | 4,216 |
| Total assets | | 11,985 | 12,878 |
| Current liabilities | | | |
| Trade and other payables | 9 | (1,721) | (3,814) |
| Total liabilities | | (1,721) | (3,814) |
| Net current assets | | 1,602 | 402 |
| Net assets | | 10,264 | 9,064 |
| Equity | | | |
| Share capital | 10 | 10 | 10 |
| Share premium | | 9,053 | 9,053 |
| Retained earnings | | 1,201 | 1 |
| Equity attributable to owners of the Company | | 10,264 | 9,064 |

The financial statements of Foxtons Operational Holdings Limited, registered number 06054477 were approved by the Board of Directors on 25 September 2018 and were signed on its behalf by:

Signed on behalf of the Board of Directors


M Berry
Director

The notes form part of these financial statements.

Foxtons Operational Holdings Limited

Statement of changes in equity For the year ended 31 December 2017

| | Notes | Share capital £'000 | Share premium £'000 | Retained earnings £'000 | Total equity £'000 |
|---|-------|---------------------------|---------------------------|-------------------------------|--------------------------|
| Balance at 1 January 2016 | | 10 | 9,053 | 1 | 9,064 |
| Total comprehensive income for the year | | - | - | 15,000 | 15,000 |
| Dividends (Note 6) | 6 | - | - | (15,000) | (15,000) |
| Balance at 31 December 2016 | | 10 | 9,053 | 1 | 9,064 |
| Total comprehensive income for the year | | - | - | 1,200 | 1,200 |
| Balance at 31 December 2017 | | 10 | 9,053 | 1,201 | 10,264 |

The notes form part of these financial statements.

Foxtons Operational Holdings Limited

Notes to the financial statements For the year ended 31 December 2017

1. General information

Foxtons Operational Holdings Limited (the Company) is a private Company limited by shares and incorporated in the United Kingdom under the Companies Act 2006. The Company is registered in England and Wales. The address of the registered office is given on page 1.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates.

These financial statements are separate financial statements. The Company has taken advantage of the exemption offered by section 400 of the Companies Act 2006 not to produce consolidated financial statements as it is a wholly owned subsidiary of Foxtons Group plc which prepares consolidated financial statements that are publicly available. The group accounts of Foxtons Group plc can be obtained as set out in note 11.

2. Accounting policies

Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101) issued by the Financial Reporting Council (FRC) and in accordance with applicable accounting standards and the Companies Act 2006.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to share-based payment, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash-flow statement, standards not yet effective and related party transactions.

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for the goods or services.

Where relevant, equivalent disclosures have been given in the group accounts of Foxtons Group plc.

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, they continue to adopt the going concern basis in preparing the financial statements. At 31 December the company had net assets of £10,264k (2016: £9,064k).

Investments

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

Foxtons Operational Holdings Limited

Notes to the financial statements For the year ended 31 December 2017

2. Accounting policies (continued)

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.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

There are no critical judgements or key sources of estimation uncertainty that the Directors believes have a significant effect on the amounts recognised in these financial statements.

3. Employee and directors

The company does not have any employees (2016: nil).

The directors did not receive any remuneration in respect of their services to the company during the year (2016: £nil).

| | 2017 | 2016 |
|-------------------------|--------------|--------------|
| | £'000 | £'000 |
| Directors' remuneration | - | - |

Foxtons Operational Holdings Limited

Notes to the financial statements For the year ended 31 December 2017

4. Profit before tax

Auditor's remuneration for the auditing of the financial statements of £3k (2016: £3k) is borne by Foxtons Limited.
The auditor did not provide any non-audit services to the company during the year (2016: £nil).

5. Tax

Analysis of tax expense

| | 2017 £'000 | 2016 £'000 |
|--|---------------|---------------|
| UK Corporation tax | - | - |
| Deferred tax | - | - |
| | <hr/> | <hr/> |
| Total tax expense in statement of comprehensive income | - | - |
| | <hr/> | <hr/> |
| | 2017 £'000 | 2016 £'000 |
| Profit on ordinary activities before income tax | 1,200 | 15,000 |
| | <hr/> | <hr/> |
| Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19.25% (2016:20.00%) | 231 | 3,000 |
| Effects of: | | |
| Income from dividends exempt for tax purposes | (231) | (3,000) |
| | <hr/> | <hr/> |
| Tax expense | - | - |
| | <hr/> | <hr/> |

6. Dividends

| | 2017 £'000 | 2016 £'000 |
|--|---------------|---------------|
| Ordinary Class 'A' Shares of £1.00 each | | |
| Interim 11,638 pence per share (2016: 145,476 pence per share) | - | 15,000 |
| | <hr/> | <hr/> |

Foxtons Operational Holdings Limited

Notes to the financial statements For the year ended 31 December 2017

7. Investments

| | Shares in group undertakings £'000 |
|---|---|
| Costs | |
| At 1 January 2017 and at 31 December 2017 | 8,662 |
| Net book value | |
| At 31 December 2017 | 8,662 |
| At 31 December 2016 | 8,662 |

The company owns 100% of the issued ordinary share capital of the companies described 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. The company also has an indirect 100% ownership of the issued share capital of Alexander Hall Direct Limited, a dormant company incorporated in Great Britain. All these entities have their registered office at Building One, Chiswick Park, 566 Chiswick High Road, London, W4 5BE.

8. Trade and other receivables

| | 2017 £'000 | 2016 £'000 |
|------------------------------------|---------------|---------------|
| Amounts owed by group undertakings | 3,322 | 4,215 |

9. Trade and other payables

| | 2017 £'000 | 2016 £'000 |
|------------------------------------|---------------|---------------|
| Amounts owed to group undertakings | 1,721 | 3,814 |

10. Share capital

| | 2017 £'000 | 2016 £'000 |
|--|---------------|---------------|
| Authorised, called up, allotted and fully paid: | | |
| 10,311 ordinary shares of nominal value of £1.00 | 10 | 10 |

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.foxtonsgroup.co.uk, with a registered office of Building One, Chiswick Park, 566 Chiswick High Road, London, W4 5BE. Foxtons Group PLC is the only undertaking in which the results of Foxtons Operational Holdings Limited are consolidated.