

CARTER JONAS SERVICE COMPANY

Report and Financial Statements

30 April 2015

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CARTER JONAS SERVICE COMPANY

REPORT AND FINANCIAL STATEMENTS 2015

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CARTER JONAS SERVICE COMPANY

REPORT AND FINANCIAL STATEMENTS 2015

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

C M P Granger
J A Henniker-Major

SECRETARY

R A S J Meade

REGISTERED OFFICE

One Chapel Place
London
W1G 0BG

BANKERS

Barclays Bank plc
Professional Services Team
London

AUDITOR

Deloitte LLP
Chartered Accountants and Statutory Auditor
London
United Kingdom

CARTER JONAS SERVICE COMPANY

STRATEGIC REPORT

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was the provision of services to the Carter Jonas group.

REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

The company is an unlimited company and is a wholly owned subsidiary of Carter Jonas Acquisitions Ltd.

The company's principal activity is to provide services to other members of the Carter Jonas group. During the year under review these were - Carter Jonas LLP, Carter Jonas Oxford Commercial Limited, Architectural Partnerships Ltd, Sullivan Thomas & Company Ltd, Boileaus Property Management Limited, Boileaus Estate Agency Limited and New Square Holdings Limited and associate companies - together with a number of dormant companies.

The services provided include the staff to undertake professional property consultancy work including agency, and the support staff to carry out the support work for Carter Jonas LLP. The company purchases and provides all the supplies and services required by the group. There has not been any change in the company's principal activities in the year under review. The directors are not aware at the date of this report of any likely changes in the company's activities in the next year.

The profit for the year was £1,021,890 (2014: £172,609).

The balance sheet on page 8 of the financial statements shows that the company's financial position at the year end is significantly stronger than the prior year. Details of amounts owed by group undertakings are shown in note 10 on page 13.

The company is part of the Carter Jonas LLP operations. The key performance indicators are turnover that has increased by 25%, staff costs that have increased by 24% and operating profit which has increased by £1,084,445. This reflects the increase in the headcount as a result of acquisitions and growth in the core business.

Principal risks and uncertainties

Competitive pressure in the UK is a continuing risk for the company's principal customer and parent, Carter Jonas LLP. This competition could result in Carter Jonas LLP losing sales to its key competitors. Carter Jonas LLP manages this risk by providing added value services to its customers, having fast response times in providing services and supplying product to those carrying out the services and in handling all customer queries, and Carter Jonas Service Company manages this through its ongoing relationship with the rest of the Carter Jonas group companies.

The company is funded by group entities and by overdraft facilities provided by its bankers. Its interest rate exposure is not considered by the directors to be significant.

Group risks are from competitive pressures and any rapid change in market conditions, particularly in residential agency work.

Environment

The Carter Jonas group is committed to managing its activities, wherever practical, so as to minimise any harmful impact on the environment. Initiatives designed to minimise the company's impact on the environment include safe disposal of old computers, recycling, reducing energy consumption and use of video conferencing.

CARTER JONAS SERVICE COMPANY

STRATEGIC REPORT (continued)

REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS (continued)

Employees

Details of the number of employees and related costs can be found in note 5.

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitude of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

The company participates in the group's policies and practices to keep employees informed of matters relevant to them as employees through a Communications Forum, other regular meetings and the intranet.

CHARITABLE DONATIONS

During the year the company made charitable donations of £5,511 (2014 - £3,625).

EQUAL OPPORTUNITIES POLICY

The company is an equal opportunities employer. No consideration is taken of race, colour, religion, creed, sex, sexual orientation, ethnic origin, age or mobility advantage when considering applicants for vacancies or on considering promotions.

GOING CONCERN

The company meets its day to day working capital requirements through a group-wide overdraft facility. This facility has been renewed post year end. The group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the group should be able to operate within the level of its current facility. Therefore, the company will continue to be able to utilise the group-wide facility to finance its working capital requirements.

After making enquiries, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future, being no less than 12 months from the date of signing these financial statements. Accordingly, they continue to adopt the going concern basis in preparing the accounts.

DIVIDENDS

The directors propose a final dividend of £2,839.50 per ordinary share totalling £1,022,220 (2014 – paid a dividend of £330,120).

Approved by the Board of Directors
and signed on behalf of the Board



C M P Granger

Director

3 November 2015

CARTER JONAS SERVICE COMPANY

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 30 April 2015.

DIRECTORS

The directors who served the company throughout the year and to the date of this report were as follows:

C M P Granger
J A Henniker-Major

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). 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 estimates that are reasonable and prudent;
- state whether applicable 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.

AUDITOR

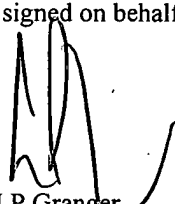
In the case of each of the persons who are directors of the company at the date when this report is approved:

- so far as each of the directors is aware, there is no relevant audit information of which the company's auditor is unaware; and
- each of the directors 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.

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

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board.


C M P Granger

Director

3 November 2015

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CARTER JONAS SERVICE COMPANY

We have audited the financial statements of Carter Jonas Service Company for the year ended 30 April 2015 which comprise the profit and loss account, the balance sheet and the related notes 1 to 20. 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 30 April 2015 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
CARTER JONAS SERVICE COMPANY (continued)**

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.



Peter Saunders (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom

3 NOVEMBER 2015

CARTER JONAS SERVICE COMPANY

PROFIT AND LOSS ACCOUNT

Year ended 30 April 2015

| | Note | 2015 £ | 2014 £ |
|--|------|--------------|--------------|
| TURNOVER | 2 | 31,944,011 | 25,157,002 |
| Other operating income | 3 | 274,322 | 269,158 |
| Staff costs | 5 | (16,867,615) | (13,621,650) |
| Depreciation | | (502,480) | (384,160) |
| Other operating charges | | (13,089,996) | (10,746,553) |
| OPERATING PROFIT | 4 | 1,758,242 | 673,797 |
| Interest payable and similar charges | 6 | (84,868) | (77,022) |
| Interest receivable and similar income | | 13,274 | 11,432 |
| PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | | 1,686,648 | 608,207 |
| Tax on profit on ordinary activities | 7 | (664,758) | (435,509) |
| RETAINED PROFIT FOR THE FINANCIAL YEAR | 14 | 1,021,890 | 172,698 |

All activities are derived from continuing operations.

There are no recognised gains or losses for the current financial year and the preceding financial year other than as shown in the profit and loss account. Accordingly no separate statement of total recognised gains and losses is shown.

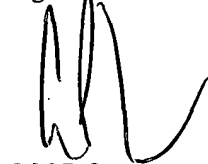
CARTER JONAS SERVICE COMPANY.

BALANCE SHEET 30 April 2015

| | Note | 2015 £ | 2014 £ |
|---|------|-------------|-------------|
| FIXED ASSETS | | | |
| Tangible assets | 9 | 2,178,254 | 2,045,889 |
| CURRENT ASSETS | | | |
| Debtors | | | |
| - due within one year | 10 | 9,339,923 | 2,345,609 |
| - due after one year | 10 | - | 90,365 |
| Cash at bank and in hand | | 13,457 | 12,661 |
| | | 9,353,380 | 2,448,635 |
| CREDITORS: amounts falling due within one year | 11 | (9,398,463) | (3,430,276) |
| NET CURRENT LIABILITIES | | (45,083) | (981,641) |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 2,133,171 | 1,064,248 |
| PROVISIONS FOR LIABILITIES | 12 | (47,033) | - |
| NET ASSETS | | 2,086,138 | 1,064,248 |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 13 | 90 | 90 |
| Share premium account | 14 | 35,910 | 35,910 |
| Other reserves | 14 | 145,520 | 145,520 |
| Profit and loss account | 14 | 1,904,618 | 882,728 |
| SHAREHOLDERS' FUNDS | 15 | 2,086,138 | 1,064,248 |

The financial statements of Carter Jonas Service Company, registered number 786457, were approved by the Board of Directors and authorised for issue on 3 November 2015.

Signed on behalf of the Board of Directors



C M P Granger

Director

CARTER JONAS SERVICE COMPANY

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 April 2015

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

Going concern

The company meets its day to day working capital requirements through a group-wide overdraft facility. This facility has been renewed post year end. The group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the group should be able to operate within the level of its current facility. Therefore, the company will continue to be able to utilise the group-wide facility to finance its working capital requirements.

After making enquiries, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future, being no less than 12 months from the date of signing these financial statements. Accordingly, they continue to adopt the going concern basis in preparing the accounts.

Cash flow statement

The directors have taken advantage of the exemption of Financial Reporting Standard No. 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement.

Turnover

Turnover represents the value of services provided, exclusive of value added tax.

Fixed assets and depreciation

All fixed assets are initially recorded at cost. Fixed assets depreciation is calculated so as to write off the cost of an asset less its estimated residual value, over the useful economic life of that asset as follows:

| | |
|--------------------------------|---|
| Short term leasehold property | Over the shorter of the lease term or the life of the asset |
| Office furniture and equipment | 15-25% reducing balance or straight line |
| Computer equipment | 7-33% reducing balance or straight line |
| Motor vehicles | 33% reducing balance or straight line |

No depreciation is charged on assets under construction.

Pensions

The company contributes to a group personal pension scheme for employees for the benefit of Carter Jonas employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Leases

Assets held under finance leases and hire purchase contracts are capitalised as tangible fixed assets and are depreciated over their estimated useful economic lives. The capital elements of future lease and hire purchase obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the leases to produce a constant rate of charge on the balance of capital repayments outstanding. Operating lease rentals are charged to the profit and loss account as incurred.

CARTER JONAS SERVICE COMPANY

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 April 2015

1. 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 group'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.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

2. TURNOVER

Turnover is attributable to the one principal activity of the company, all of which arises in the United Kingdom.

3. OTHER OPERATING INCOME

| | 2015 £ | 2014 £ |
|-----------------|----------------|----------------|
| Rent receivable | <u>274,322</u> | <u>269,158</u> |

4. OPERATING PROFIT

| | 2015 £ | 2014 £ |
|--|----------------|----------------|
| Operating profit is after charging: | | |
| Depreciation of owned fixed assets | 497,950 | 380,149 |
| Depreciation of assets held under finance leases | 4,530 | 3,775 |
| Auditor's remuneration | | |
| Other services | 38,818 | 2,650 |
| Operating lease rentals | | |
| Motor vehicles | 471,197 | 348,780 |
| Land and buildings | 2,155,892 | 1,755,657 |
| Other | <u>324,124</u> | <u>261,540</u> |

Auditor's remuneration for the current period has been borne by Carter Jonas LLP being the ultimate parent undertaking. The directors estimate that the amount of the group audit fee to be allocated, but not recharged, to this company is £11,025 (2014: £10,500).

CARTER JONAS SERVICE COMPANY

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 April 2015

5. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The directors did not receive any remuneration during the current or preceding year.

| | 2015 No. | 2014 No. |
|---|-------------------|-------------------|
| The average number of staff employed by the company during the financial year amounted to: | | |
| Directors | 2 | 2 |
| Professional staff | 324 | 293 |
| Support staff | 90 | 68 |
| | <u>416</u> | <u>363</u> |
| | | £ |
| The aggregate payroll costs of the above were: | | |
| Wages and salaries | 14,841,075 | 12,033,020 |
| Social security costs | 1,551,445 | 1,239,911 |
| Group personal pension costs | 475,095 | 348,719 |
| | <u>16,867,615</u> | <u>13,621,650</u> |

6. INTEREST PAYABLE AND SIMILAR CHARGES

| | 2015 £ | 2014 £ |
|------------------------------------|---------------|---------------|
| Interest payable on bank borrowing | <u>84,868</u> | <u>77,022</u> |

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

| | 2015 £ | 2014 £ |
|--|----------------|----------------|
| Current taxation | | |
| UK corporation tax charge for the year | 389,467 | 365,571 |
| Adjustments in respect of prior periods | 172,387 | 43,938 |
| Total current taxation | <u>561,854</u> | <u>409,509</u> |
| Deferred taxation | | |
| Adjustments in respect of prior periods | 25,468 | - |
| Origination and reversal of timing differences | 79,475 | 26,000 |
| Effect of change in tax rates | (2,039) | - |
| Total deferred taxation | <u>102,904</u> | <u>26,000</u> |
| Tax on profit on ordinary activities | <u>664,758</u> | <u>435,509</u> |

CARTER JONAS SERVICE COMPANY

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 April 2015

7. TAX ON PROFIT ON ORDINARY ACTIVITIES (continued)

The standard rate of tax for the year, based on the UK standard rate of corporation tax is 20.92% (2014 - 22.84%). The actual tax charge for the current and previous year differs to the standard tax rate for the reasons set out in the following reconciliation:

| | 2015 £ | 2014 £ |
|---|-----------|-----------|
| Profit on ordinary activities before tax | 1,686,648 | 608,207 |
| Tax on profit on ordinary activities at standard rate | 352,811 | 138,914 |
| Factors affecting charge for the year: | | |
| Expenses not deductible | 116,132 | 66,337 |
| Depreciation in excess of capital allowances | - | 18,887 |
| Capital allowances for period in excess of depreciation | (78,323) | - |
| UK:UK transfer pricing adjustment | - | 141,433 |
| Adjustments in respect of prior periods | 172,387 | 43,938 |
| Movement in short term timing differences | (1,153) | - |
| Total current tax | 561,854 | 409,509 |

In recent years the UK Government has steadily reduced the rate of UK corporation tax, with the latest rates substantively enacted in July 2013 now standing at 21% with effect from 1 April 2014 and 20% with effect from 1 April 2015. The closing deferred tax assets and liabilities have been calculated at 20% in accordance with the rates enacted at the balance sheet date.

In the Budget on 8 July 2015, the UK Government proposed, amongst other things, to further reduce the main rate of UK corporation tax to 19% with effect from 1 April 2017 and to 18% with effect from 1 April 2020. Existing temporary differences may therefore unwind in periods subject to these reduced rates. These rate changes are to be included in the Finance Bill 2015 but this has not yet been substantively enacted.

8. DIVIDENDS

| | 2015 £ | 2014 £ |
|--|-----------|-----------|
| Final dividend for the year ended 30 April 2014 of £917.00 per ordinary share | - | 330,120 |
| Proposed final dividend for the year ended 30 April 2015 of £2,839.50 per ordinary share | 1,022,220 | - |

The dividend has not been included as a liability in these financial statements.

CARTER JONAS SERVICE COMPANY

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 April 2015

9. TANGIBLE FIXED ASSETS

| | Short term leasehold property £ | Assets under construction £ | Office furniture and equipment £ | Computer equipment £ | Motor vehicles £ | Total £ |
|-----------------------|--|-----------------------------------|--|----------------------------|------------------------|------------|
| Cost | | | | | | |
| At 1 May 2014 | 1,915,794 | - | 1,035,631 | 634,492 | 12,987 | 3,598,904 |
| Additions | 258,048 | 158,647 | 29,057 | 189,093 | - | 634,845 |
| At 30 April 2015 | 2,173,842 | 158,647 | 1,064,688 | 823,585 | 12,987 | 4,233,749 |
| Depreciation | | | | | | |
| At 1 May 2014 | 519,783 | - | 626,719 | 402,738 | 3,775 | 1,553,015 |
| Charge for the year | 259,509 | - | 100,278 | 138,163 | 4,530 | 502,480 |
| At 30 April 2015 | 779,292 | - | 726,997 | 540,901 | 8,305 | 2,055,495 |
| Net book value | | | | | | |
| At 30 April 2015 | 1,394,550 | 158,647 | 337,691 | 282,684 | 4,682 | 2,178,254 |
| At 30 April 2014 | 1,396,011 | - | 408,912 | 231,754 | 9,212 | 2,045,889 |

The net book value of assets held under finance leases or hire purchase contracts, included above, are £4,682 (2014 - £9,212)

10. DEBTORS

| | 2015 £ | 2014 £ |
|---|------------------|------------------|
| Amounts falling due within one year: | | |
| Trade debtors | 304,449 | 336,548 |
| Amounts due from parent undertaking | 6,594,862 | - |
| Amounts owed by group undertakings | 782,876 | 167,629 |
| VAT | - | 533,503 |
| Other debtors | 179,866 | 28,739 |
| Prepayments and accrued income | 1,477,870 | 1,279,190 |
| | <u>9,339,923</u> | <u>2,345,609</u> |
| Amounts falling due after more than one year: | | |
| Deferred tax (note 12) | - | 55,871 |
| Prepayments and accrued income | - | 34,494 |
| | <u>-</u> | <u>90,365</u> |
| | <u>9,339,923</u> | <u>2,435,974</u> |

CARTER JONAS SERVICE COMPANY

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 April 2015

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2015 £ | 2014 £ |
|------------------------------------|------------------|------------------|
| Bank overdraft | 3,609,282 | 456,822 |
| Trade creditors | 1,485,224 | 1,088,576 |
| Amounts owed to parent undertaking | - | 15,433 |
| Amounts owed to group undertakings | 405,392 | 196,618 |
| Corporation tax | 222,870 | 256,983 |
| VAT | 1,677,253 | - |
| Other taxation and social security | 495,474 | 380,062 |
| Other creditors | 5,833 | 98,683 |
| Accruals and deferred income | 1,497,135 | 937,099 |
| | <u>9,398,463</u> | <u>3,430,276</u> |

The bank overdraft is guaranteed by this company and other group companies.

12. DEFERRED TAXATION

The movement in the deferred taxation liability/(asset) during the year was:

| | 2015 £ | 2014 £ |
|--------------------------------------|---------------|-----------------|
| Asset brought forward | (55,871) | (81,871) |
| Profit and loss account charge | 77,436 | 26,000 |
| Adjustment in respect of prior years | 25,468 | - |
| Liability/(asset) carried forward | <u>47,033</u> | <u>(55,871)</u> |

The deferred taxation liability/(asset) consists of the tax effect of timing differences in respect of:

| | 2015 £ | 2014 £ |
|--|---------------|-----------------|
| Deficit/(excess) of depreciation over capital allowances on fixed assets | 45,931 | (55,871) |
| Short term timing differences | 1,102 | - |
| | <u>47,033</u> | <u>(55,871)</u> |

13. CALLED UP SHARE CAPITAL

| | 2015 £ | 2014 £ |
|---|-----------|-----------|
| Called up, allotted and fully paid 360 ordinary shares of 25p each | <u>90</u> | <u>90</u> |

CARTER JONAS SERVICE COMPANY

NOTES TO THE FINANCIAL STATEMENTS Year ended 30 April 2015

14. STATEMENT OF MOVEMENT IN RESERVES

| | Share premium account £ | Other reserves £ | Profit and loss account £ |
|---------------------|----------------------------------|------------------------|------------------------------------|
| At 1 May 2014 | 35,910 | 145,520 | 882,728 |
| Profit for the year | - | - | 1,021,890 |
| At 30 April 2015 | <u>35,910</u> | <u>145,520</u> | <u>1,904,618</u> |

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

| | 2015 £ | 2014 £ |
|-------------------------|------------------|------------------|
| At 1 May 2014 | 1,064,248 | 1,221,670 |
| Profit for the year | 1,021,890 | 172,698 |
| Dividends paid (note 8) | - | (330,120) |
| At 30 April 2015 | <u>2,086,138</u> | <u>1,064,248</u> |

16. OPERATING LEASE COMMITMENTS

At 30 April 2015 the company had annual commitments under non-cancellable operating leases as set out below:

| | Land and buildings | | Other | |
|--------------------------------|--------------------|------------------|----------------|----------------|
| | 2015 £ | 2014 £ | 2015 £ | 2014 £ |
| Operating leases which expire: | | | | |
| Within one year | 32,215 | 26,999 | 95,195 | 199,130 |
| Within two to five years | 586,688 | 733,516 | 863,419 | 460,934 |
| After more than five years | 1,599,308 | 1,460,171 | - | - |
| | <u>2,218,211</u> | <u>2,220,686</u> | <u>958,614</u> | <u>660,064</u> |

17. PENSION COMMITMENTS

The company contributes to a defined contribution pension scheme for the benefit of Carter Jonas employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £475,095 (2014: £348,719).

18. BANK GUARANTEE

The company has provided a cross guarantee and debenture to Barclays Bank Plc to secure its borrowings and those made available to other fellow group companies - namely Carter Jonas LLP, Carter Jonas Oxford Commercial Limited, Carter Jonas Acquisitions Ltd and Sullivan Thomas Limited. At 30 April 2015 the total borrowings from Barclays amounted to £8,937,612 (2014 - £2,931,822).

CARTER JONAS SERVICE COMPANY

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 April 2015

19. RELATED PARTY TRANSACTIONS

The company was under the ultimate control of Carter Jonas LLP throughout the year. Whilst the directors held no direct interest in the shares of the company, the directors were members of Carter Jonas LLP which holds all the issued share capital of the company and to which the company provides its services.

The company has taken advantage of the exemption from reporting transactions with other group companies conferred by Financial Reporting Standard No.8 on the grounds that it is a wholly owned subsidiary of a parent undertaking which publishes consolidated accounts.

20. ULTIMATE PARENT COMPANY

The company's ultimate parent undertaking and ultimate controlling party is Carter Jonas LLP, a limited liability partnership incorporated in England. Its immediate parent undertaking is Carter Jonas Acquisitions Ltd. The consolidated financial statements of Carter Jonas LLP are the only financial statements into which the results of Carter Jonas Service Company are consolidated. Group accounts are available from the registered office as disclosed on page one.