

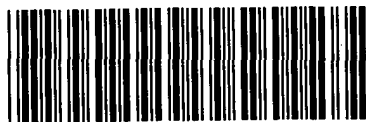
Registered number
02411812

Direct Valuations Limited

Report and Accounts

31 March 2015

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Direct Valuations Limited
Report and accounts
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Direct Valuations Limited
Company Information

Directors

C Hickling
P Gratton
G Brewster
I Fergusson

Secretary

C Staley

Auditors

Baker Tilly UK Audit LLP
Suite A, 7th Floor
City Gate East
Tollhouse Hill
Nottingham
NG1 5FS

Bankers

HSBC Bank plc
26 Clumber Street
Nottingham
NG1 3GA

Registered office

3 & 4 Regan Way
Chetwynd Business Park
Chilwell
Nottingham
NG9 6RZ

Registered number

02411812

Direct Valuations Limited**Registered number:** 02411812**Directors' Report**

The directors present their report and accounts for the year ended 31 March 2015.

Principal activities

The company's principal activity during the year continued to be panel management of valuations.

Dividends

An interim dividend of £25 per share was declared and paid during the year, the directors do not recommend a final dividend.

Directors

The following persons served as directors during the year:

C Hickling
P Gratton
G Brewster
I Fergusson

Directors' responsibilities

The directors are responsible for preparing the report and accounts in accordance with applicable law and regulations.

Company law requires the directors to prepare accounts for each financial year. Under that law the directors have elected to prepare the accounts 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 accounts 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 accounts, 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts 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 accounts 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.

Direct Valuations Limited

Registered number: 02411812

Directors' Report

Disclosure of information to auditors

Each person who was a director at the time this report was approved confirms that:

- so far as he is aware, there is no relevant audit information of which the company's auditor is unaware; and
- he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board on 11th June 2015 and signed by its order.



C Staley
Secretary

Direct Valuations Limited Strategic Report

Fair review of the business

Our primary strategy is to deliver a best-in-class Panel Management capability to provide efficient, professional property valuations for residential properties to UK lenders. We intend to grow the size of our operations by increasing volume through out-sourced Panel Management contracts and continuing to support our existing clients.

The UK Housing market started the year strongly, but the second half of 2014 saw sluggish behaviour, with demand dropping off across the country. This was evident in Direct Valuations, which saw volumes broadly flat against prior year. However, growth in volumes in the first quarter of 2015 gives a positive indicator of the strength of the market for this year.

Position of the business

The operating performance of the business was strong, with profits of £1.5m reflecting an increase of £0.5m on prior year. The increase is predominantly reflecting an improvement in core operating margins, and an improvement in utilisation of resources, enabled by the diversification strategy of the group.

As at 31 March 2015, the business had net assets of £5,627,272. This incorporates a full provision for the liability under historic tax planning schemes relating to 2003 – 2006. The Company has agreed settlement of these historic tax scheme liabilities with HMRC payable over a period of three years. Due to this agreement being dated post 31st March 2015, in accordance with FRS 21 we have been unable to disclose this settlement over the three years within creditors, and the full amount is included as a provision under FRS12. The amount due in the 12 months to 31st March 2016 is £1.3m.

Principal risks and uncertainties

The Group's revenues and profits are substantially dependent on the volume of housing transactions in the UK residential property market. During recent years, the mortgage market has been steadily recovering, but remains highly cyclical, and competition in the industry is strong. Appetite for lending and Lenders' approval policies also have an impact on group volumes, and retaining key customer relationships is a primary focus. This focus on key clients and high levels of customer service has enabled the Group to compete successfully in the market.

The company makes little use of financial instruments other than an operational bank account and so its exposure to price risk, credit risk, liquidity risk and cash flow risk is not material for the assessment of the assets, liabilities, financial position and profit or loss of the company.

This report was approved by the board on 11th June 2015 and signed by its order.



C Staley
Secretary

Direct Valuations Limited
Independent auditors' report
to the members of Direct Valuations Limited

We have audited the accounts of Direct Valuations Limited for the year ended 31 March 2015 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses and the related notes. 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 auditors' 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 auditors

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the accounts 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 accounts

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate

Opinion on the accounts

In our opinion the accounts:

- give a true and fair view of the state of the company's affairs as at 31 March 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 matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report and the Strategic Report for the financial year for which the accounts are prepared is consistent with the accounts.

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 accounts 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.



Kelly Boorman
(Senior Statutory Auditor)
for and on behalf of
Baker Tilly UK Audit LLP
Statutory Auditor and Chartered Accountant
12th June 2015

Suite A, 7th Floor
City Gate East
Toll House Hill
Nottingham House
NG1 3GA

Direct Valuations Limited
Profit and Loss Account
for the year ended 31 March 2015

	Notes	2015 £	2014 £
Turnover	2	9,577,284	11,037,895
Other operating income	3	<u>3,509,569</u>	<u>2,664,783</u>
		13,086,853	13,702,678
Other external charges		(6,430,618)	(7,147,088)
Staff costs		(3,096,935)	(7,813,949)
Depreciation written off fixed assets		(198,124)	(158,955)
Other operating charges		(1,857,744)	(2,300,000)
Operating profit/(loss)	4	<u>1,503,432</u>	<u>(3,717,314)</u>
Attributable to :			
Operating profit before exceptional items		1,503,432	922,699
Exceptional items	4	<u>-</u>	<u>(4,640,013)</u>
		1,503,432	(3,717,314)
Interest payable and similar charges	7	(22,517)	(1,620,814)
Income from investments		125,000	-
Profit/(loss) on ordinary activities before taxation		<u>1,605,915</u>	<u>(5,338,128)</u>
Attributable to :			
Operating profit before exceptional items		1,605,915	884,517
Exceptional items		<u>-</u>	<u>(6,222,645)</u>
		1,605,915	(5,338,128)
Tax on profit/(loss) on ordinary activities	8	(1,190)	1,910,671
Profit/(loss) for the financial year		<u>1,604,725</u>	<u>(3,427,457)</u>

Continuing operations

None of the company's activities were acquired or discontinued during the above two financial years.

The notes on pages 9 to 20 form part of the financial statements

Direct Valuations Limited
Statement of total recognised gains and losses
for the year ended 31 March 2015

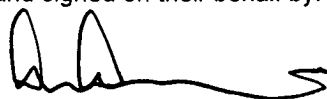
	Notes	2015 £	2014 £
Profit/(loss) for the financial year		1,604,725	(3,427,457)
Unrealised surplus on revaluation of investments	10	4,087,500	-
Total recognised gains and losses related to the year		<u>5,692,225</u>	<u>(3,427,457)</u>

The notes on pages 9 to 20 form part of the financial statements

Direct Valuations Limited
Balance Sheet
as at 31 March 2015

	Notes	2015 £	2014 £
Fixed assets			
Tangible assets	9	2,691,035	2,689,195
Investments	10	6,502,500	2,415,000
		<u>9,193,535</u>	<u>5,104,195</u>
Current assets			
Debtors due within one year	11	793,838	760,242
Debtors due after one year	11	897,630	897,630
Cash at bank and in hand		<u>5,819,842</u>	<u>3,805,574</u>
		<u>7,511,310</u>	<u>5,463,446</u>
Creditors: amounts falling due within one year	12	(1,882,793)	(7,585,009)
Net current assets/(liabilities)		<u>5,628,517</u>	<u>(2,121,563)</u>
Total assets less current liabilities		<u>14,822,052</u>	<u>2,982,632</u>
Creditors: amounts falling due after more than one year	13	(3,877,555)	(2,797,585)
Provisions for liabilities			
Other provisions	17	(5,317,225)	-
Net assets		<u>5,627,272</u>	<u>185,047</u>
Capital and reserves			
Called up share capital	18	10,000	10,000
Revaluation reserve	19	4,087,500	-
Profit and loss account	20	1,529,772	175,047
Shareholders' funds	22	<u>5,627,272</u>	<u>185,047</u>

The accounts were approved by the directors and authorised for issue on 11th June 2015 and signed on their behalf by:



P Gratton
Director

The notes on pages 9 to 20 form part of the financial statements

Direct Valuations Limited
Notes to the Accounts
for the year ended 31 March 2015

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention except for investments which are held at market value, and in accordance with applicable accounting standards.

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

The financial statements have been prepared on a going concern basis, which assumes that the company will continue in operational existence for the foreseeable future, based on the continued support of its fellow group undertakings, directors and the company's bankers. The directors have prepared projections for the period to 31 March 2018. These projections have been prepared using assumptions which the directors consider to be appropriate to the current financial position of the company as regards to current expected revenues and its cost base.

On 9th June 2015, the Group agreed settlement of the historic tax scheme liabilities with HMRC over a period of three years. The amount due for payment in the 12 months to 31st March 2016 is £1.3m.

The Directors therefore consider it appropriate to continue to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that may be necessary in the event that adequate funding was not made available.

Cash flow statement

The directors have taken advantage of the exemption in 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 comprises revenue recognised by the company when a valuation report is supplied to the customer, exclusive of value added tax.

Tangible fixed assets and depreciation

The cost of tangible fixed assets is purchase price together with any incidental costs of acquisition.

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Freehold buildings	2% straight line
Furniture, fittings and equipment	25%-33% reducing balance
Motor vehicles	25% straight line

Deferred taxation

Full provision is made for deferred taxation resulting from timing differences between the recognition of gains and losses in the accounts and their recognition for tax purposes.

Deferred tax is calculated at the tax rates which are expected to apply in the periods when the timing differences will reverse, and discounted to reflect the time value of money using rates based on the post-tax yields to maturity that could be obtained at the balance sheet date on government bonds with similar maturity dates.

Deferred tax assets are recognised only to the extent that the directors consider it 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 assets and liabilities recognised have not been discounted. Deferred tax is calculated on an undiscounted basis at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Investments

Investments held as fixed assets are stated at post deal market value.

Direct Valuations Limited
Notes to the Accounts
for the year ended 31 March 2015

Leasing and hire purchase commitments

Assets held under finance leases and hire purchase contracts, which are those where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet and depreciated over their useful lives. The corresponding lease or hire purchase obligation is treated in the balance sheet as a liability.

The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rentals paid under operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to income on a straight line basis over the lease term.

Pensions

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

Employee Benefit Trusts

The company has established trusts for the benefit of employees, former employees and certain of their dependants. Monies contributed to these trusts are held by independent trustees and managed at their discretion.

Where the company retains future economic benefit from, and has de facto control of the assets and liabilities of the trust, they are accounted for as assets and liabilities of the company until the earlier of the date that an allocation of trust funds to employees in respect of past services is declared and the date that assets of the trust vest in identified individuals.

Where the company determines payments to the trust on the basis of employees' past service to the business and the company can obtain no future economic benefit from those contributions, such contributions payable by the company to the trust are charged to the profit and loss account in the period to which they relate.

Financial Instruments

Financial instruments are classified and accounted for as financial assets, financial liabilities or equity instruments, according to the substance of the contractual arrangement.

An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. A financial liability is any contractual arrangement for an entity to deliver cash to the holder of the associated financial instrument

Taxation settlements

Where the company has entered into arrangements which are likely to give rise to a taxation liability, provisions are made for taxation and interest to the extent that it is probable that amounts will be payable and these amounts can be reliably estimated.

2 Analysis of turnover	2015	2014
	£	£
By activity:		
Panel Manager	<u>9,577,284</u>	<u>11,037,895</u>
By geographical market:		
UK	<u>9,577,284</u>	<u>11,037,895</u>

Direct Valuations Limited
Notes to the Accounts
for the year ended 31 March 2015

3 Other Operating Income	2015	2014
	£	£
Management Charges Receivable	1,628,264	1,202,047
Other Operating Income	1,881,305	1,462,736
	<u>3,509,569</u>	<u>2,664,783</u>

4 Operating profit	2015	2014
	£	£
This is stated after charging:		
Depreciation of owned fixed assets	182,142	144,170
Depreciation of assets held under finance leases and hire	16,008	8,553
Operating lease rentals - plant and machinery	101,018	97,002
Auditors' remuneration for audit services	47,500	17,245
Auditors' remuneration for other services	28,750	7,305
Exceptional directors' remuneration	<u>-</u>	<u>4,640,013</u>

In 2014 an exceptional directors remuneration charge was made in relation to tax planning schemes. The Group has agreed the final settlement value with HMRC which has resulted in a release and a reduction in the provision of £300,000 (see note 5).

5 Directors' emoluments	2015	2014
	£	£
Emoluments	<u>72,160</u>	<u>4,913,613</u>

In addition, directors also received benefits in kind totalling £19,380 (£161,007 in 2014) and company pension contributions of £8,701 (£nil in 2014).

Highest paid director:

Emoluments	<u>372,160</u>	<u>273,600</u>
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In addition, the director also received benefits in kind totalling £12,053 (£70,572 in 2014) and company pension contributions of £8,701 (£nil in 2014).

Within Directors' remuneration is a credit of £300,000 (2014: debit of £4,640,013) in respect of the PAYE and NIC on the amounts previously received by the directors and former directors as per note 6.

Number of directors in company pension schemes:	2015	2014
	Number	Number
Money purchase schemes	<u>1</u>	<u>1</u>

Direct Valuations Limited
Notes to the Accounts
for the year ended 31 March 2015

6 Staff costs	2015	2014
	£	£
Wages and salaries	2,631,438	2,916,602
Social security costs	390,559	254,051
Other pension costs	74,938	3,283
Exceptional directors' remuneration	-	4,640,013
	<u>3,096,935</u>	<u>7,813,949</u>

With the changing tax environment at the year ended 31 March 2014, in particular surrounding potential Advanced Payment Notifications, the liability relating to the HMRC tax settlement was included as a creditor all due under one year for the comparative period. At the year ended 31 March 2015, in the light of the change of the tax climate the directors consider there was sufficient uncertainty around the timing of payment and therefore have concluded that the amounts due meet FRS12 recognition criteria for presentation as a provision. Further detail on this settlement is included in the Strategic Report.

Average number of employees during the year	Number	Number
Administration	<u>116</u>	<u>102</u>

7 Interest payable	2015	2014
	£	£
Bank loans and overdrafts	20,085	36,626
Other similar charges payable	-	1,582,632
Finance charges payable under finance leases and hire purchase contracts	<u>2,432</u>	<u>1,556</u>
	<u>22,517</u>	<u>1,620,814</u>

Other similar charges of nil (2014: £1,582,632) relate to interest payable on tax planning settlements.

Direct Valuations Limited
Notes to the Accounts
for the year ended 31 March 2015

8 Taxation	2015	2014
	£	£
Analysis of charge in period		
Current tax:		
UK corporation tax on profits of the period	-	(778,514)
Deferred tax:		
Origination and reversal of timing differences	1,190	(1,132,157)
	<hr/>	<hr/>
Tax on profit / profit/(loss) on ordinary activities	<u>1,190</u>	<u>(1,910,671)</u>

Factors affecting tax charge for period

The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows:

	2015	2014
	£	£
Profit/(loss) on ordinary activities before tax	<u>1,605,915</u>	<u>(5,338,128)</u>
Standard rate of corporation tax in the UK	21%	23%
	£	£
Profit on ordinary activities multiplied by the standard rate of corporation tax	337,242	(1,227,769)
Effects of:		
Expenses not deductible for tax purposes	-	394,836
Capital allowances for period in excess of depreciation	-	(44,747)
Utilisation of tax losses	(337,242)	(215,542)
Unrelieved tax losses	-	1,272,575
Non qualifying depreciation	-	(11,132)
Other timing differences	-	(946,735)
	<hr/>	<hr/>
Current tax charge for period	<u>-</u>	<u>(778,514)</u>

Factors that may affect future tax charges

The company has taxable losses carried forward of £5,620,393 (2014: £5,532,934) available to utilise against future profits. A deferred tax asset has been recognised (see note 16) based on expected utilisation of the tax losses as per detailed forecasts produced to March 2017.

Direct Valuations Limited
Notes to the Accounts
for the year ended 31 March 2015

9 Tangible fixed assets

	Freehold Land and buildings £	Motor Vehicles £	Fixtures, fittings and equipment £	Total £
Cost				
At 1 April 2014	2,633,333	81,032	1,213,630	3,927,995
Additions	-	-	199,990	199,990
At 31 March 2015	<u>2,633,333</u>	<u>81,032</u>	<u>1,413,620</u>	<u>4,127,985</u>
Depreciation				
At 1 April 2014	346,292	52,113	840,395	1,238,800
Charge for the year	<u>48,396</u>	<u>16,008</u>	<u>133,746</u>	<u>198,150</u>
At 31 March 2015	<u>394,688</u>	<u>68,121</u>	<u>974,141</u>	<u>1,436,950</u>
Net book value				
At 31 March 2015	<u>2,238,645</u>	<u>12,911</u>	<u>439,479</u>	<u>2,691,035</u>
At 31 March 2014	<u>2,287,041</u>	<u>28,919</u>	<u>373,235</u>	<u>2,689,195</u>

Included in land and buildings is freehold land at a cost of £213,333 (2014: £213,333), which is not depreciated.

Freehold land and buildings with a cost of £983,333 suffered an impairment as an investment property in 2009.

Freehold land and buildings:	2015 £	2014 £
Historical cost	1,300,000	1,300,000
Cumulative depreciation based on historical cost	<u>(140,800)</u>	<u>(114,800)</u>
Net Book Value	<u>1,159,200</u>	<u>1,185,200</u>
	2015 £	2014 £
Net book value of fixed assets included above held under finance leases and hire purchase contracts	<u>12,911</u>	<u>10,295</u>

Direct Valuations Limited
Notes to the Accounts
for the year ended 31 March 2015

10 Investments

	Investments in subsidiary undertakings £	Other investments £	Total £
Cost			
At 1 April 2014	2,412,500	2,500	2,415,000
Revaluation	4,087,500	-	4,087,500
At 31 March 2015	6,500,000	2,500	6,502,500

The original cost of investment in JV Limited was nil and the market valuation arose during a reorganisation of the Shepherd Direct Limited group in which part of the group shares were disposed of to a third party at market value.

The company holds 20% or more of the share capital of the following company registered in England and Wales:

Company	Shares held Class	%	Capital and reserves 2015 £	Profit (loss) for the year 2015 £
JV Limited	Ordinary	100	(3,628,611)	881,940

In 2014 JV Limited had Capital and Reserves of (£4,336,479) and losses of (£2,334,110).

Other investments	2015 £	2014 £
Unlisted investments	2,500	2,500

The investment represents 25% holding in Sesame Bankhall Services Limited, which is registered in England and Wales

11 Debtors	2015 £	2014 £
Trade debtors	439,956	394,575
Amounts owed by group undertakings and undertakings in which the company has a participating interest	15,124	22,244
Deferred tax asset (see note 16)	1,136,440	1,137,630
Other debtors	3,272	4,088
Prepayments and accrued income	96,676	99,335
	1,691,468	1,657,872
 Amounts due after more than one year included in debtors:		
Deferred tax asset	897,630	897,630

Direct Valuations Limited
Notes to the Accounts
for the year ended 31 March 2015

12 Creditors: amounts falling due within one year	2015	2014
	£	£
Bank loans and overdrafts	168,123	127,123
Obligations under finance lease and hire purchase contracts	5,261	21,379
Trade creditors	997,353	833,954
Amounts owed to group undertakings and undertakings in which the company has a participating interest	-	15,349
Other taxes and social security costs	392,849	6,122,280
Accruals and deferred income	319,207	464,924
	<u>1,882,793</u>	<u>7,585,009</u>

The hire purchase creditors are secured on the assets to which they relate.

Within taxation and social security creditor of £6,122,280 in 2014 is £5,617,225 in respect of potential payments due to HMRC following an inquiry into payments made by the company into planning schemes in prior years. In 2015, this tax creditor is shown as a provision as set out in note 6.

13 Creditors: amounts falling due after one year	2015	2014
	£	£
Bank loans	627,555	785,585
Amounts owed to group undertakings and undertakings in which the company has a participating interest	3,250,000	2,012,000
	<u>3,877,555</u>	<u>2,797,585</u>

The bank loan is secured by a debenture in the form of fixed and floating charges over the company's assets.

The bank loan is repayable in instalments. The loan bears interest at 2.4% above the bank's published base rate.

14 Loans	2015	2014
	£	£
Analysis of maturity of debt:		
Between one and two years	3,250,000	-
Between two and five years	546,338	2,532,427
After five years	81,217	265,158
	<u>3,877,555</u>	<u>2,797,585</u>

15 Obligations under finance leases and hire purchase contracts	2015	2014
	£	£
Amounts payable:		
Within one year	<u>5,261</u>	<u>21,379</u>

Direct Valuations Limited
Notes to the Accounts
for the year ended 31 March 2015

16 Deferred taxation	2015	2014
	£	£
Excess of depreciation over taxation allowances	44,527	(5,473)
Tax losses carried forward	(1,180,967)	(1,132,157)
Undiscounted provision for deferred tax	<u>(1,136,440)</u>	<u>(1,137,630)</u>

	2015	2014
	£	£
At 1 April	(1,137,630)	(1,137,630)
Deferred tax charge in profit and loss account	1,190	-
At 31 March	<u>(1,136,440)</u>	<u>(1,137,630)</u>

17 Provisions for liabilities

	Tax Scheme
	£
At 1 April 2014	-
Transfer from creditors falling due within 1 year	5,317,225
At 31 March 2015	<u>5,317,225</u>

The provision represents a reclassification of the tax scheme creditors as set out in note 6.

18 Share capital	Nominal value	2014 and 2015 Number	2015	2014
			£	£
Allotted, called up and fully paid:				
Ordinary shares	£1 each	10,000	<u>10,000</u>	<u>10,000</u>

19 Revaluation reserve	2015
	£
At 1 April 2014	-
Arising on revaluation during the year	4,087,500
At 31 March 2015	<u>4,087,500</u>

20 Profit and loss account	2015	2014
	£	£
At 1 April 2014	175,047	3,852,504
Profit/(loss) for the financial year	1,604,725	(3,427,457)
Dividends	(250,000)	(250,000)
At 31 March 2015	<u>1,529,772</u>	<u>175,047</u>

21 Dividends	2015	2014
	£	£
Dividends for which the company became liable during the year:		
Dividends paid	250,000	250,000

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22 Reconciliation of movement in shareholders' funds	2015	2014
	£	£
At 1 April	185,047	3,862,504
Profit/(loss) for the financial year	1,604,725	(3,427,457)
Dividends	(250,000)	(250,000)
Other recognised gains and losses	4,087,500	-
At 31 March	<u>5,627,272</u>	<u>185,047</u>

23 Capital commitments	2015	2014
	£	£
Amounts contracted for but not provided in the accounts	<u>165,000</u>	<u>-</u>

24 Other financial commitments

At the year end the company had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings 2015 £	Land and buildings 2014 £	Other 2015 £	Other 2014 £
Operating leases which expire:				
within one year	-	-	977	34,142
within two to five years	<u>-</u>	<u>-</u>	<u>78,669</u>	<u>20,527</u>
	<u>-</u>	<u>-</u>	<u>79,646</u>	<u>54,669</u>

25 Contingent liabilities

The company is party to a composite company limited multilateral guarantee in respect of the bank facilities with Shepherd Direct Limited, Direct Valuations Limited, Moneyquest Mortgage Brokers Limited and JV Limited. At 31 March 2015 the total liability was £1,543,668 (2014: £4,142,358)

Direct Valuations Limited
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26 Related party transactions	2015	2014
	£	£
Sesame Bankhall Valuation Services Limited		
Associate company and P Gratton and G Brewster are directors.		
Management charges:		
Received in year	1,632,612	1,315,767
Amount due from the related party	-	20,704
J&E Partnership		
The J & E Shepherd partnership is related to the company as it has partners who have an interest in J & E Nominees Limited, a shareholder in Shepherd Direct Limited which is the company's ultimate and immediate parent company.		
Management charges:		
Charged in year	(741,195)	(149,539)
Amount due to the related party	(278,257)	(9,186)
Received in year	39,950	64,700
Amount due from the related party	3,200	17,100
If I Were You Limited		
A company which is part of the group owned 80% then 49% during the year.		
Management charges:		
Charged in year		60,000
Direct Lettings Limited		
A company which is part of the group owned 50% then 100% during the year.		
Management charges:		
Charged in year		26,390
Maurice MacNeill Iona Limited		
A company which is part of the group owned 90% then 100% during the year.		
Management charges:		
Charged in year		37,959
Amount due from the related party	-	2,299
Moneyquest Mortgage Brokers Limited		
A company which is part of the group owned 100% then 49% during the year.		
Management Charges: Income	162,725	
Management Charges: Expenditure	(155,809)	
Amount due from (to) the related party	12,269	-
Central Scotland West Limited		
A company which is 60% owned by the group		
Management charges and other recharges	3,891	

All transactions were completed at arms length.

Unless otherwise stated, the balance at the period end due to / from the related party was nil.

Advantage has been taken of the exemption provided by the Financial Reporting Standard No8 not to disclose transactions with fellow group companies as consolidated financial statements are prepared for the group and are publicly available.

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27 Ultimate controlling party

The company is a wholly owned subsidiary of Shepherd Direct Limited. The largest and smallest group in which the results of the company are consolidated is that headed by Shepherd Direct Limited. Consolidated accounts are available from Companies House, Crown Way, Cardiff, CF14 3UZ.

In the opinion of the directors of Shepherd Direct Limited there is no ultimate controlling party.