

Trust Property Management Group Limited

Report of the Directors and Financial Statements

For the Year Ended 31 March 2018

For Trust Property Management Group Limited



Company No: 06013543

Trust Property Management Group Limited

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Trust Property Management Group Limited

Company Information: Directors, Advisors and Officers For the year ended 31 March 2018

Directors:	Benjamin John Charles Mire Dr Julian Lewis Finegold Michael Jang Yun	Chief Executive Officer Group Managing Director Property Director
Secretary:	Richard William Levy (appointed 8 November 2017)	
Registered Office:	Unit 3 Technology Park Colindeep Lane London NW9 6BX	
Registered Number:	06013543 (England and Wales)	
Auditor:	RSM UK Audit LLP Chartered Accountants 25 Farringdon Street London EC4A 4AB	
Solicitors:	Howard Kennedy 1 London Bridge London SE1 9BG	
Registrars:	Share Registrars Limited Craven House West Street Farnham Surrey GU9 7EN	
Bankers:	Clydesdale Bank PLC Ground Floor 3 John Tate Road Hertford SG13 7NN Barclays Bank PLC 1250 High Road Whetstone London N20 0PB	

Trust Property Management Group Limited

Directors' Report For the year ended 31 March 2018

The directors submit their report and the financial statements of Trust Property Management Group Limited for the year ended 31 March 2018.

Trust Property Management Group Limited is incorporated and domiciled in England.

PRINCIPAL ACTIVITIES

The Group's principal activities during the year were the provision of property management services and that of chartered surveyors, trading as Trust Property Management, BMCS Surveyors, Nightingale Chancellors, Dexter Brown and Residential Ground Rent Investors.

RESULTS FOR THE YEAR

Our EBITDA has continued to improve, rising by 8% in the year. We have seen many notable wins for Trust in our chosen area of residential property management and we hope that this trend will continue.

Our commercial property management business Dexter Brown has stabilised its position as a boutique commercial property management business and has re-established its profitability.

BMCS Surveyors has continued its recent good performances based on its two main business flows; valuations for building societies and banks and building surveying on blocks that we manage.

Our Residential Ground Rent Investors subsidiary continues to show profits from some leasehold extensions. Our investment in Newlands, a small luxury flat development in Hendon, has been a little problematical as, due to the weak housing market we have failed to find buyers for the remaining three flats. We have written off the accrued interest in the books and now the market has bottomed we have every hope of selling them in the coming months.

Year	EBITDA	Change	Pre-tax profit	Post-tax profit
2013	£628,000		381,000	261,000
2014	£764,000	+22%	539,000	396,000
2015	£839,000	+10%	634,000	475,000
2016	£435,000	-48%	241,000	167,000
2017	£627,000	+44%	462,000	350,000
2018	£675,000	+8%	371,000	296,000

DIVIDENDS

A dividend of 0.5p was paid to shareholders in April 2017 and November 2017 (2017: 0.5p)

FUTURE DEVELOPMENTS

We will continue to grow our Trust Premier brand which has enjoyed much success in the market place and hope that the forecasted completion of Newlands will return cash to the Group within the next year.

GOING CONCERN

The directors confirm that they are satisfied that the Company and Group have adequate resources to continue in business for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

DIRECTORS

The following directors have held office since 1 April 2017:

Benjamin John Charles Mire

Michael Jang Yun

Dr Julian Lewis Finegold

Trust Property Management Group Limited

AUDITOR

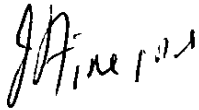
A resolution to reappoint RSM UK Audit LLP, Chartered Accountants, as auditors will be put to the members at the Annual General Meeting.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

The directors in office on the date of approval of the financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the directors has confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

By order of the board



Dr Julian Lewis Finegold

Director

Date: 28 August 2018

Trust Property Management Group Limited

Statement of Directors' Responsibilities For the year ended 31 March 2018

The directors are responsible for preparing the Directors' 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 group and the company and of the profit or loss of the group for that period.

In preparing these financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and accounting estimates that are reasonable and prudent;
- c. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Trust Property Management Group Limited

Independent Auditor's Report

To the members of Trust Property Management Group Ltd For the year ended 31 March 2018

Opinion

We have audited the financial statements of Trust Property Management Group Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2018 which comprise Consolidated Income Statement, Consolidated and Company Statement of Financial Position and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2018 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 group and parent 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 have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the 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 group's or the parent 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.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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 this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

Trust Property Management Group Limited

Independent Auditor's Report

To the members of Trust Property Management Group Ltd For the year ended 31 March 2018

- 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.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report or in preparing the directors' report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 6, 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 group's and the parent 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 group or the parent 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: <http://www.frc.org.uk/auditorsresponsibilities> This description forms part of our auditor's report.

Trust Property Management Group Limited

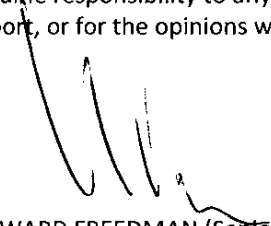
Independent Auditor's Report

To the members of Trust Property Management Group Ltd

For the year ended 31 March 2018

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.



HOWARD FREEDMAN (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB

Date:30/5/2018.....

Trust Property Management Group Limited

Consolidated Income Statement For the year ended 31 March 2018

	Notes	2018 £	2017 £
Turnover	2	3,418,935	3,579,552
Gross profit		<u>3,418,935</u>	<u>3,579,552</u>
Administrative expenses		<u>(2,954,440)</u>	<u>(3,187,883)</u>
Operating profit		464,495	391,669
Gain / (loss) on investment properties		-	25,879
Interest receivable and similar income		(93,306)	44,752
Profit on ordinary activities before taxation	3	<u>371,189</u>	<u>462,300</u>
Tax on profit on ordinary activities	5	<u>(74,918)</u>	<u>(112,483)</u>
Profit for the financial year	14	<u><u>296,271</u></u>	<u><u>349,817</u></u>

Turnover and Operating Profit derive from the Group's continuing operations.

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account.

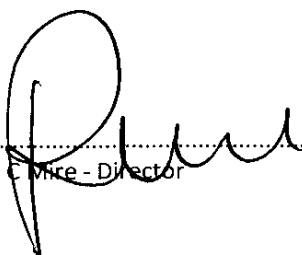
Trust Property Management Group Limited

Consolidated Statement of Financial Position As at 31 March 2018

	Notes	2018 £	2017 £
Fixed Assets			
Intangible assets	7	2,130,346	2,323,549
Tangible assets	8	135,093	16,964
Freehold investment properties	10	328,572	328,572
Other Investments	9	133	133
		<u>2,594,144</u>	<u>2,669,218</u>
Current Assets			
Debtors due within one year	11	1,622,163	1,476,885
Cash at bank and in hand		<u>637,069</u>	<u>694,809</u>
		2,259,232	2,171,694
Creditors			
Amounts falling due within one year	12	<u>(638,941)</u>	<u>(631,348)</u>
Net Current Assets		<u>1,620,291</u>	<u>1,540,346</u>
Total Assets Less Current Liabilities		<u>4,214,435</u>	<u>4,209,564</u>
Net Assets		<u>4,214,435</u>	<u>4,209,564</u>
Capital And Reserves			
Called up share capital	13	294,528	291,528
Share Premium	14	384	256
Share Option Reserve	14	252,699	252,699
Share Redemption account	14	94,409	94,409
Fair Value Revaluation Reserve	14	161,679	161,679
Profit and loss account	14	<u>3,410,736</u>	<u>3,408,993</u>
Shareholders' Funds		<u>4,214,435</u>	<u>4,209,564</u>

These financial statements have been prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102).

The financial statements on pages 10 to 27 were approved by the Board of Directors and authorised for issue on 28 August 2018 and signed on its behalf by:


 B J C Mire - Director

Trust Property Management Group Limited

Company Statement of Financial Position As at 31 March 2018

Company Number: 06013543

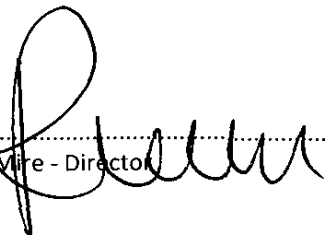
	Notes	2018 £	2017 £
Fixed Assets			
Tangible assets	8	90,837	3,417
Investments in Subsidiary Undertakings	9	<u>3,837,611</u>	<u>3,837,611</u>
		<u>3,928,448</u>	<u>3,841,028</u>
Current Assets			
Debtors due within one year	11	295,625	246,434
Cash at bank and in hand		<u>49,821</u>	<u>177,543</u>
		345,446	423,977
Creditors			
Amounts falling due within one year	12	<u>(1,916,531)</u>	<u>(2,014,284)</u>
Net Current Liabilities		<u>(1,571,085)</u>	<u>(1,590,307)</u>
Total Assets Less Current Liabilities		<u>2,357,363</u>	<u>2,250,721</u>
Net Assets		<u>2,357,363</u>	<u>2,250,721</u>
Capital And Reserves			
Called up share capital	13	294,528	291,528
Share Premium	14	384	256
Share Option Reserve	14	252,699	252,699
Share Redemption account	14	94,409	94,409
Profit and loss account	14	<u>1,715,343</u>	<u>1,611,829</u>
Shareholders' Funds		<u>2,357,363</u>	<u>2,250,721</u>

These financial statements have been prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102).

The Company's profit and total comprehensive income was £398,042 (2017: £227,382)

The financial statements on pages 10 to 27 were approved by the Board of Directors and authorised for issue on 28 August 2018 and signed on its behalf by:

.....
B J C Mire - Director



Trust Property Management Group Limited

Accounting Policies

For the year ended 31 March 2018

Basis of accounting

These statutory financial statements have been prepared in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102), the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime and under the historical cost convention. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

Going Concern

The Directors are satisfied that the Company and Group have adequate resources to continue in business for the foreseeable future. For this reason, the financial statements have been prepared on the going concern basis.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and enterprises controlled by the Company (and its subsidiaries) made up to 31 March each year. Subsidiaries are all entities over which the Company has the power to govern the financial and operating policies as to benefit from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated profit and loss account from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Group.

All intra-group transactions, balances, and unrealised gains on transactions between group companies are eliminated on consolidation.

The parent company has taken exemption from presenting its unconsolidated profit and loss under section 408 of the Companies Act 2006.

Investments in subsidiary undertakings

Investments are stated at cost less any provision for impairment in the value of the investment.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

Revenue in the property management division comprises fees for residential and commercial property management which are usually charged on a per-unit basis, and other fees and income typically receivable by managing agents to whom freehold landlords or residents of blocks of flats have delegated their obligations under the terms of each lease.

Revenue in the professional services division comprises fees for chartered surveying services typically provided by chartered surveyors including building repair specifications and supervision, structural surveys, valuations, dilapidation claims and acting as expert witnesses.

All revenues are recorded on an accruals basis. Revenue is recognised for services provided by the accounting date but not invoiced and deferred if services are invoiced but not fully provided by the accounting date. Revenue from ongoing property management is spread over the year in which the services are being provided.

Trust Property Management Group Limited

Accounting Policies - continued For the year ended 31 March 2018

Revenues from ongoing professional services activities are recognised when they are earned.

Revenue from insurance commissions is recognised on the date the policy commences.

Ground rent income represents amounts receivable from leaseholders under long term leases.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets of the Group at their fair value or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income, unless they are directly attributable to qualifying assets, in which case they are capitalised.

Rentals payable under operating leases are charged to income on a straight-line basis over the term of the relevant lease.

Deferred tax

Deferred tax is recognised in respect of all material 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 is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is charged so as to write off the cost or valuation of assets, over their estimated useful lives, using the straight-line method, on the following bases:

Fixtures and equipment	over 5 years
Plant and machinery	over 3-5 years

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets, or over the lease term if shorter.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit and loss account.

Trust Property Management Group Limited

Accounting Policies - continued **For the year ended 31 March 2018**

Intangible assets

Intangible assets comprise goodwill and acquired separable customer relationships. Intangible assets acquired in a business combination are identified and recognised separately from goodwill provided they are separable or arise from contractual or other legal rights and their fair value can be measured reliably. The cost of such intangible assets is their fair value at the acquisition date.

Where the intangible assets are assessed to have finite lives, their fair values are amortised on a straight line basis over their contractual terms/average useful life of customer contracts or relationships.

The directors have estimated the average useful life of customer contracts and customer relationships to be 10-20 years.

Goodwill representing the excess of the consideration for an acquired undertaking compared with the fair value of net assets acquired is capitalised and written off evenly over twenty years as in the opinion of the Directors this represents the period over which the goodwill is effective. The Directors believe this to be a reasonable assumption based on the industry average churn rate.

Goodwill is reviewed for impairment annually at the end of each financial year.

Impairment of tangible fixed assets and intangible assets excluding goodwill

Fixed assets are reviewed for impairment at each reporting date to ascertain whether there is any indication that an asset's carrying amount is more than its recoverable amount.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of net realisable value and value-in-use, are recognised as impairments. Impairments of re-valued assets, except those caused by clear consumption of economic benefit, are recognised in the statement of total recognised gains and losses until the carrying amount reaches depreciated historic cost. All other impairment losses are recognised in the profit and loss account.

Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant. Details regarding the determination of the fair value of equity-settled share based transactions are set out in note 17.

The fair value determined at the grant date of equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest.

Pension Costs

The company operates a defined contribution pension scheme for directors and employees. The amount charged to the profit and loss account in respect of pension costs and other post retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Critical accounting estimates and judgements

The preparation of the financial statements require the use of estimates and assumptions that affect the reported amount of assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting year. Although these estimates are based on management's best knowledge of the amount, events or actions, actual results may differ from those estimates.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Trust Property Management Group Limited

Accounting Policies - continued For the year ended 31 March 2018

Impairment of goodwill and other intangible assets

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash generation unit and a suitable discount rate in order to calculate present value. Further details of impairment reviews are set out in note 7.

Valuation of share based payments

The charge for share based payments is calculated in accordance with the analysis described in note 17. The model requires highly subjective assumptions to be made including the future volatility of the Company's share price, expected dividend yield and risk-free interest rates. The directors draw upon a variety of external sources to aid in the determination of the appropriate data to use in such calculations.

Valuation and useful lives of intangible assets

In order to determine the value of the separately identifiable intangible assets on the acquisition of a business combination, management are required to make estimates when applying the Group's valuation methodologies. These methodologies include the use of discounted cash flows. Assets' lives are estimated based on the nature of the intangible asset acquired and range from 10-20 years.

Freehold Investment Properties

Freehold investment properties comprises freehold properties that are held for rental income and are shown at open market value. Any aggregate surplus or deficit is transferred to the investment revaluation reserve, except where a deficit is deemed permanent, when it is taken to the profit and loss account.

No provision is made for depreciation of investment properties. This departure from the requirements of the Companies Act 2006 which require all properties to be depreciated is, in the opinion of the directors, necessary for the financial statements to show a true and fair view in accordance with applicable accounting standards. The depreciation charge is only one of the factors reflected in the annual valuation and therefore the effect of the departure cannot be readily quantified.

Debtor Recoverability

Debtor recoverability is reviewed throughout the year and a judgement is made on the recoverability of debts on a case by case basis.

Segmental reporting

The Group's operations are analysed into two operating divisions, professional services and property management, which bring together assets and operations that provide services in comparable market areas. This is how the Group's results are reviewed and thus form the primary reporting segments as set out in note 2.

Trust Property Management Group Limited

Notes to the Financial Statements For the year ended 31 March 2018

1. General Information

Trust Property Management Group Limited is a company incorporated under the Companies Act 2006. The address of the registered office is given on page 3. The nature of the Group's operations and principal activities are set out in the Directors' Report on page 4.

2. Business and Geographical Segments

For management purposes, the Group is currently organised into two operating divisions – professional services and property management. These divisions are the basis on which the Group reports its primary segment information.

Principal activities of these divisions are as follows:

Professional Services- Wide range of Chartered Surveying Services

Property Management- Residential and Commercial Property Management

All of the Group's operations are carried out within the United Kingdom.

Segmental information about these businesses turnover is presented below:

	2018 £	2017 £
Professional Services	606,454	678,501
Property Management	<u>2,812,481</u>	<u>2,901,051</u>
	<u>3,418,935</u>	<u>3,579,552</u>

3. Profit on Ordinary Activities before Taxation

Profit on Ordinary Activities before Taxation is stated after charging:

	2018 £	2017 £
Amortisation of Intangible Assets & Goodwill	193,203	193,203
Depreciation – Owned Assets	17,019	16,396
Staff Costs	1,208,268	1,370,964
Operating Lease Rentals payable	106,806	103,067
Fair value gains / (losses) – Investment properties	<u>-</u>	<u>25,879</u>

	2018 £	2017 £
Auditor's Remuneration – Fees Payable for:		
-The audit of Parent & Consolidated Accounts	<u>29,500</u>	<u>30,500</u>

Trust Property Management Group Limited

Notes to the Financial Statements For the year ended 31 March 2018

4. Directors' Remuneration

	2018 £	2017 £
Amounts paid to directors	<u>365,311</u>	<u>364,465</u>
	2018 No.	2017 No.
Number of directors accruing retirement benefits under: Defined contribution schemes	<u>2</u>	<u>2</u>

5. Taxation

	2018 £	2017 £
Current tax:		
UK corporation tax	69,350	115,806
Deferred tax:		
Origination and reversal of timing differences	<u>356</u>	<u>(3,323)</u>
Tax charge on profit on ordinary activities	<u>69,706</u>	<u>112,483</u>

UK corporation tax was charged at 19% in 2018 (2017: 20%).

The charge for the year can be reconciled to the profit per the Profit and Loss account as follows:

	2018 £	2017 £
Profit on ordinary activities before tax	<u>371,189</u>	<u>462,300</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2017: 20%)	70,526	92,460
Tax effect of:		
Expenses not deductible for tax purposes	87	121
Capital Allowances in Excess of Depreciation	(23,548)	(838)
Amortisation of goodwill arising on consolidation	27,853	29,319
Indexation allowance	-	(80)
Adjustment in respect of prior period timing differences	-	(7,118)
Revaluation of freehold property	<u>-</u>	<u>(1,381)</u>
Total tax charge for the period	<u>74,918</u>	<u>112,483</u>

Trust Property Management Group Limited

Notes to the Financial Statements For the year ended 31 March 2018

6. Dividends

	2018 £	2017 £
Ordinary:		
Interim paid: 1p in relation to 2018, 0.5p in relation to 2017	294,528	145,764
Interim unpaid: 0p in relation to 2018, 0.5p in relation to 2017	-	145,764
Final paid: None in relation to 2018, none in relation to 2017	-	-
Total	<u>294,528</u>	<u>291,528</u>

7. Intangible Assets

	Customer Relationships £	Goodwill £	Total £
Cost			
At 1 April 2017 and 31 March 2018	<u>1,966,186</u>	<u>2,154,863</u>	<u>4,121,049</u>
Amortisation and Impairment			
At 1 April 2017	904,820	892,680	1,797,500
Amortisation for the year	<u>86,008</u>	<u>107,195</u>	<u>193,203</u>
At 31 March 2018	<u>990,828</u>	<u>999,875</u>	<u>1,990,703</u>
Net Book Value			
At 31 March 2018	<u>975,358</u>	<u>1,154,988</u>	<u>2,130,346</u>
At 31 March 2017	<u>1,061,366</u>	<u>1,262,183</u>	<u>2,323,549</u>

Trust Property Management Group Limited

Notes to the Financial Statements For the year ended 31 March 2018

7. Intangible Assets – continued

Goodwill acquired in a business combination is allocated to the cash generating units (CGUs) that are expected to benefit from the business combination. The CGUs are in line with the segments as identified in Note 2.

Goodwill has been allocated for impairment testing to the Following CGUs:

	2018 £	2017 £
Professional Services	707,061	772,684
Property Management	<u>447,927</u>	<u>489,499</u>
	<u>1,154,988</u>	<u>1,262,183</u>

Goodwill

The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired. The recoverable amounts of the CGUs are determined from value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rates and growth rates for the year. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. The growth rates are based on industry growth forecasts and long-term growth in gross domestic product. The Group prepares cash flow forecasts derived from the most recent financial budgets approved by management for the next year and extrapolates cash flows for the following 3 years based on an estimated growth rate of 3%. Cash flows for years four and five are extrapolated using an estimated growth rate of 2.50%. Cash flows beyond the five year period are extrapolated using an estimated growth rate of 1.92% which is based on the expected average long term growth rate for the industry. The rate used to discount the forecast cash flows in 2018 is 8% and in 2017 was 8% for all CGUs.

At 31 March 2018 and 31 March 2017, the carrying amounts of goodwill for CGUs were tested for impairment and the directors concluded that no adjustment was required.

8. Tangible Fixed Assets

	Plant & Machinery £	Fixtures & Equipment £	Total £
GROUP			
Cost			
At 1 April 2017	310,235	322,232	632,467
Additions	38,834	96,315	135,149
Disposals	<u>(268,868)</u>	<u>(314,236)</u>	<u>(583,104)</u>
At 31 March 2018	<u>80,201</u>	<u>104,311</u>	<u>184,512</u>
Accumulated Depreciation			
At 1 April 2017	295,185	320,318	615,503
Charge for the period	10,500	6,519	17,019
Disposals	<u>(267,584)</u>	<u>(315,519)</u>	<u>(583,103)</u>
At 31 March 2018	<u>38,101</u>	<u>11,318</u>	<u>49,419</u>
Net Book Value			
At 31 March 2018	<u>42,100</u>	<u>92,993</u>	<u>135,093</u>
At 31 March 2017	<u>15,050</u>	<u>1,914</u>	<u>16,964</u>

Trust Property Management Group Limited

Notes to the Financial Statements For the year ended 31 March 2018

8. Tangible Fixed Assets - continued

COMPANY	Plant & Machinery £	Fixtures & Equipment £	Total £
Cost			
At 1 April 2017	53,420	170,271	223,691
Additions	100	95,297	95,397
Disposals	(39,150)	(165,982)	(205,132)
At 31 March 2018	14,370	99,586	113,956
Accumulated Depreciation			
At 1 April 2017	50,851	169,423	220,274
Charge for the period	2,286	5,691	7,977
Disposals	(39,150)	(165,982)	(205,132)
At 31 March 2018	13,987	9,132	23,119
Net Book Value			
At 31 March 2018	383	90,454	90,837
At 31 March 2017	2,569	848	3,417

9. Fixed Asset Investments

Investments in Subsidiary Undertakings	Company £
Cost	
At 1 April 2017 and 31 March 2018	3,947,611
Impairment	
At 1 April 2017 and 31 March 2018	(110,000)
Net Book Value	
At 31 March 2017 and 31 March 2018	3,837,611

Details of the Company's subsidiaries at 31 March 2018 are as follows:

Name of Subsidiary	Country of incorporation	Proportion Of Ownership Interest %	Proportion Of Voting Power Held %	Principal Activity
Skylon Ltd	UK	100	100	Chartered Surveyors
Trust Property Management Ltd	UK	100	100	Property Management
Residential Ground Rent Investors Ltd	UK	100	100	Investment Properties
Dexter Brown Ltd	UK	100	100	Property Management

All Subsidiaries have an accounting date of 31 March 2018.

The registered office of all subsidiaries is Unit 3 Technology Park, Colindeep Lane, London NW9 6BX.

Trust Property Management Group Limited

Notes to the Financial Statements For the year ended 31 March 2018

9. Fixed Asset Investments - continued

By virtue of section 479A of the Companies Act 2006, the subsidiary companies noted above are exempt from the Companies Act requirements relating to the audit of the individual accounts.

Other Investments	2018 £	2017 £
Cost:		
At start of year	133	133
Additions	-	-
	<hr/>	<hr/>
At year end	<u>133</u>	<u>133</u>

A subsidiary company, Residential Ground Rent Investors Limited made an investment of 13.3% in Newlands NW4 Limited in 2015 for a total consideration of £133.

10. Freehold Investment Properties

	2018 £	2017 £
Fair Value:		
At start of year	328,572	311,722
Additions	-	-
Disposals	-	(9,029)
Gain / (loss) during the year	-	25,879
	<hr/>	<hr/>
At year end	<u>328,572</u>	<u>328,572</u>

Freehold investment properties relate to the purchase by Residential Ground Rent Investors Limited, a subsidiary company, of freehold properties held for rental income.

The freehold properties are formally valued by a valuation expert every 3 years. The properties were last valued as at 31 March 2017. The directors have considered the valuation with reference to current market conditions and have concluded that it remains appropriate as at 31 March 2018.

11. Debtors: Amounts falling due within one year

	Group		Company	
	2018 £	2017 £	2018 £	2017 £
Trade debtors	530,257	430,065	-	-
Other debtors	201,870	78,037	19,423	50
Prepayments and accrued income	219,542	181,020	98,217	66,247
Deferred tax asset	-	-	3,423	6,037
Amounts due from related undertakings	670,494	787,763	-	-
Amounts due from subsidiary undertakings	-	-	174,562	174,100
	<hr/>	<hr/>	<hr/>	<hr/>
	<u>1,622,163</u>	<u>1,476,885</u>	<u>295,625</u>	<u>246,434</u>

Trust Property Management Group Limited

Notes to the Financial Statements For the year ended 31 March 2018

11. Debtors: Amounts falling due within one year - continued

Included within the Amounts due from related undertakings is a loan totalling £636,666 with a fixed interest rate of 8%.

Management have considered the balance for impairment and have provided for £119,159 as they do not believe it is recoverable. In addition no further interest is being accrued in relation to the loan to Newlands NW4 Ltd.

12. Creditors: Amounts falling due within one year

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Trade creditors	151,335	72,871	88,049	36,419
Other creditors	37,783	23,400	2,206	3,996
Corporation tax	73,697	120,900	46,924	57,828
Deferred tax	27,254	20,939	-	-
Other taxation & social security	235,854	261,668	11,583	16,488
Accruals & deferred income	113,018	131,570	59,787	65,521
Amounts owed to subsidiary undertakings	-	-	1,707,982	1,834,032
	<u>638,941</u>	<u>631,348</u>	<u>1,916,531</u>	<u>2,014,284</u>

13. Share Capital

	2018	2017
	£	£
Ordinary shares of 1p each		
Allotted, Issued and fully paid: 29,452,764 (2017: 29,152,764)	<u>294,528</u>	<u>291,528</u>

14. Reserves - Group

	Share Premium	Share Option Reserve	Share Redemption Account	Fair value revaluation Reserve	Profit and Loss Account
	£	£	£	£	£
Balance at 1 April 2017	256	252,699	94,409	161,679	3,408,993
Share options purchase	128	-	-	-	-
Profit for the year	-	-	-	-	296,271
Dividend	-	-	-	-	(294,528)
Balance at 31 March 2018	<u>384</u>	<u>252,699</u>	<u>94,409</u>	<u>161,679</u>	<u>3,410,736</u>

Trust Property Management Group Limited

Notes to the Financial Statements For the year ended 31 March 2018

14. (continued) Reserves - Company

	Share Premium	Share Option Reserve	Share Redemption Account	Profit and Loss Account
	£	£	£	£
Balance at 1 April 2017	256	252,699	94,409	1,611,829
Share options purchase	128	-	-	-
Profit for the year	-	-	-	398,042
Dividend	-	-	-	(294,528)
Balance at 31 March 2017	<u>384</u>	<u>252,699</u>	<u>94,409</u>	<u>1,715,343</u>

15. Retirement Benefits

The company operates a defined contribution pension scheme whose assets are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company and amounted to £11,007 (2017 £10,880).

16. Operating Lease Arrangements

The Group as a lessee:	2018	2017
Non-cancellable operating lease rentals are payable next year in respect of leases expiring:	£	£
Within one year	16,708	83,015
Within two to five years	<u>79,359</u>	<u>16,708</u>
	<u>96,067</u>	<u>99,723</u>

Operating lease rentals all relate to land and buildings and represent rents payable by the Group for its various offices. Leases entered into by the Group are for various terms and are usually subject to 5 yearly rent reviews. The average unexpired term of leases at 31 March 2018 was 7 years (2017: 0.67 years).

Trust Property Management Group Limited

Notes to the Financial Statements For the year ended 31 March 2018

17. Share Based Payments

(a) Equity-settled share option plan

On 12 December 2007 the Company adopted the 2007 Enterprise Management Incentive (EMI) Share Option Plan for eligible senior Executives of the Group. The plan provides for a grant price equal to the average quoted market price of the Group's shares on the date of grant. The vesting period is generally 3 to 4 years. If options remain unexercised after a period of 10 years from the date of grant, the options expire. Furthermore, options are forfeited if the employee leaves the Group before the options vest.

On 1 April 2013, the company granted share options under the EMI share option plan to Michael Yun and Hemal Davda. On 23 October 2017, the company granted share options under the EMI share option plan to Jeremy Levy. The Company plan provides for a grant price equal to the average quoted market price of the Company shares on the date of grant. The vesting period is generally 3 to 4 years. If options remain unexercised after a period of 10 years from the date of grant, the options expire. Furthermore, options are forfeited if the employee leaves the Company before the options vest.

	Options	2018 Weighted Average Exercise Price (p)	Options	2017 Weighted Average Exercise Price (p)
Outstanding at 1 April	1,500,000	10.32	1,500,000	10.32
Exercised during the year	(300,000)	1.04	-	-
Granted during the year	500,000	1.04	-	-
Lapsed during the year	(900,000)	(16.50)	-	-
Outstanding at 31 March	<u>800,000</u>	<u>1.04</u>	<u>1,500,000</u>	<u>10.32</u>
Exercisable at 31 March	-	-	-	-

Share options which were issued in 2017 totalling 50,000 shares were exercised after the Balance Sheet date. The 2007 options lapsed during the year. The 2013 options outstanding at 31 March 2018 had a weighted average remaining contractual life of 8 years.

Trust Property Management Group Limited

Notes to the Financial Statements For the year ended 31 March 2018

17. Share Based Payments - continued

Share options totalling 500,000 were granted to Jeremy Levy during the year. The weighted average fair value of options granted in the year to 31 March 2014 using the Black-Scholes option pricing model was £0.03 pence. The inputs into the Black-Scholes model are as follows:

	2018	2017
Shares under option	800,000	550,000
Share price at grant date	0.948 pence	0.948 pence
Weighted average share price	1.13 pence	1.21 pence
Weighted average exercise price	1.04 pence	1.04 pence
Expected volatility	30%	30%
Expected life	8 years	6 years
Risk free rate	0.22%	0.22%
Expected dividends	0.27 pence	0.27 pence

An estimate of the volatility of the equity of the Company is not observable because the shares are not publicly traded. Comparables to publicly listed companies were used in order to derive volatility using an analysis of the historical 260 day price volatility of publicly quoted comparable companies.

The actual market value of 0.948 pence per share has been used with the agreement and acceptance of HMRC.

The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

The total expense, which has been recognised in the profit and loss account arising from share-based payment transactions is £Nil (2017:£Nil).

18. Related Party Transactions

The company has taken advantage of the exemption available in FRS102 Section 33 'Related party disclosures' whereby it has not disclosed transactions with any wholly owned subsidiary undertaking.

The following transactions were carried out with related parties:

(a) Provision of property management services

Trust Property Management Limited has entered into management agreements dated 5 March 2007 with each of Lakeside Developments Limited, which is controlled by the estate of David Glass, former Director, and Cyril Freedman Limited, which is controlled by Barbara Glass and Julian Finegold, a Director, retaining the Group to provide managing agent services in consideration for fees payable by tenants of properties managed, in accordance with the terms of their respective lease.

(b) During the year dividends were paid to the Directors as follows:

	2018	2017
	£	£
Benjamin Mire	50,673	25,212
Michael Yun	21,698	9,599
Julian Finegold	1,708	854

Trust Property Management Group Limited

Notes to the Financial Statements For the year ended 31 March 2018

18. Related Party Transactions - continued

(c) During the year dividends were paid to the following related parties:

	2018	2017
	£	£
Lakeside Developments Ltd	57,611	28,805
Cyril Freedman Ltd	25,623	12,812

(d) The following analysis details related party transactions within the accounts:

	Professional Services revenue	Property Management revenue	Total revenue	Debtors at year end
	£	£	£	£
	2018	2018	2018	2018
Lakeside Developments Limited	28,370	81,554	109,924	28,277
Cyril Freedman Limited	10,487	21,929	32,416	5,550
Newlands NW4 Limited	-	-	-	636,666
	£	£	£	£
	2017	2017	2017	2017
Lakeside Developments Limited	37,704	92,960	130,664	52,604
Cyril Freedman Limited	18,279	24,436	42,715	4,800
Newlands NW4 Limited	-	-	-	730,659

The debtors at year end related to Newlands NW4 Limited, for which Benjamin Mire and Julian Finegold are common directors, comprises of a loan made in previous years and interest due on the loan at a fixed rate.

19. Subsequent Events

On 26 April 2018 a total of 50,000 share options were exercised at a price of £0.010428 per share.

Trust Property Management Group Limited

Notice of Annual General Meeting

NOTICE OF MEETING

To the holders of ordinary shares

Notice is hereby given that the annual general meeting of the Company will be held at the Company's offices of Unit 3 Technology Park, Colindeep Lane, London NW9 6BX on 12 October 2018 at 09:00am for the following purposes:

To consider, and if thought fit, approve the following resolutions:

1. That the report of the directors and the annual financial statements for the year ended 31 March 2018 be and hereby are adopted;
2. That the directors' remuneration report for the year ended 31 March 2018 be approved;
3. All the directors having been appointed to the board since the last Annual General Meeting be elected as directors;
4. That RSM UK Audit LLP be re-appointed as auditors and the directors be authorised to fix their remuneration.

By Order of the Board



R W Levy

Secretary
Unit 3 Technology Park
Colindeep Lane
London
NW9 6BX

28 August 2018

NOTES

- (a) Every member entitled to attend and vote at the meeting may appoint another person as his/her proxy to attend and vote thereat instead of him/her and such proxy need not be a member. Forms appointing proxies must be deposited at the office of the Registrars by 11.00am on 8 October 2018.
- (b) In accordance with the requirements of the Financial Services Authority, copies of the directors' service contracts will be available for inspection at the Registered office from the date of the above notice until the date of the meeting and at the place of the meeting from 15 minutes prior to until the close of the meeting.

Trust Property Management Group Limited

Form of Proxy

I/We the undersigned, being a member of the above-named company, hereby appoint

Name:

Address:.....

Or failing him the Chairman of the meeting, as my/our proxy to vote on my/our behalf at the Annual General Meeting of the Company to be held on 12 October 2018 and any adjournment thereof. The proxy will vote on the undermentioned resolutions as indicated:

Please indicate your voting instruction by making X in the relevant box alongside each resolution

	FOR	AGAINST	WITHHELD	DISCRETION
1. That the report of the directors and the annual financial statements for the year ended 31 March 2018 be and hereby are adopted				
2. That the directors' remuneration report for the year ended 31 March 2018 be approved				
3. All the directors having been appointed to the board since the last Annual General Meeting be elected as directors				
4. That RSM UK Audit LLP be re-appointed as auditors and the directors be authorised to fix their remuneration				

If this form is signed and returned without any indication as to how the proxy shall vote, he will exercise his discretion both as to how he votes (and whether or not he abstains from voting).

Print Name:.....

Signature:..... Date:.....

Notes:

1. If you wish to appoint as your proxy some other person other than the Chairman of the Meeting please insert in block capitals the full names of the person of your choice, delete the words "or failing him the Chairman of the Meeting" and initial the alteration. A proxy need not be a member of the Company but must attend the meeting to represent you. If you wish your proxy to speak on your behalf at the meeting, you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them. Completion of the proxy will not preclude you from attending, voting and speaking in person at the meeting.
2. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. Please indicate in the box provided if the proxy instruction is one of multiple instructions being given, and the number of share in relation to which they are authorised to act as your proxy. The total number of share entered on all proxy forms you submit must not therefore exceed the number of share you hold in the Company. To support more than one proxy forms may be obtained by contact the Registrars or you may photocopy this form.
3. To be effective all proxy forms and additional proxy forms should be signed and returned to the Company's Registrars, Share Registrars Ltd, The Courtyard, 17 West Street, Farnham, Surrey, GU9 7DR not later than 48 hours before the start of the meeting. The proxy forms may be faxed within the prescribed timescale to the following fax number 01252 719232 or emailed to enquiries@shareregistrars.uk.com
4. In the case of a corporation, the form must be executed under its common seal or under the hand of an officer or attorney duly authorised in writing.
5. In the case of joint holders the signature of any of them will suffice but the names of all joint holders should be shown. The vote of the senior joint holder who tenders a vote, whether in person or proxy. Shall be accepted to the exclusion of votes of the other joint holders, and for this purpose