

JV LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017.**

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JV LIMITED

COMPANY INFORMATION

Directors	G Brewster P Gratton I Fergusson C Anderton C Grinyer
Company secretary	C Staley
Registered number	04491974
Registered office	3&4 Regan Way Chetwynd Business Park Chilwell Nottingham NG9 6RZ
Independent auditor	KPMG LLP Statutory auditor and chartered accountants St Nicholas House 31 Park Row Nottingham NG1 6FQ
Bankers	HSBC plc 26 Clumber street Nottingham NG1 3GA

JV LIMITED

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JV LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2017

Introduction

Our primary strategy is to deliver industry-leading residential valuations and surveys, focusing on quality, efficiency and risk management. Through the continued development of best-in-class software, we continue to drive improvements across productivity and risk management.

The UK Housing market has had a challenging year in 2016/17. Changes in stamp duty and the UK's decision to leave the European Union have impacted consumer confidence and property sales, with a 13% reduction in year on year residential property transactions, the biggest impact of which was felt in London and the South East. While the Group's successful Panel Management wins protected the overall volume worked by the group, the changing geographical landscape restricted the company's ability to carry out surveys in-house, which impacts on productivity and margin. As a result, overall volumes worked by the company fell by around 8% in the year.

Business review

Revenues reduced by around 7% in the year to £10.5m (2016:£11.3m). Core volumes were 19% down, due to a slower property market related to the change in stamp duty rates and continuing uncertainty regarding the relationship with the European Union. This also had an impact on profit margin, as geographical changes in the supply of work impacted the productivity of surveyors.

The business has increased its provision for Professional Indemnity Claims in the year by around £1.2m. Managing future exposure to these claims, and closing down historical claims (98.5% of all claims relate to work carried out pre-2009) continues to be a strong focus for the business. As JV Limited has looked to accelerate the settlement of open claims, the overall cost to the business has proved to be higher than previous estimates, and this additional exposure is reflected in the exceptional provision increase. However, process improvements put in place in 2008 to mitigate risk have continued to prove robust, with new notifications in the year at their lowest levels in recent history.

JV Ltd has net liabilities of £4.0m, a decrease of £0.9m on prior year predominantly driven by the increase in the provision discussed above. This decrease represents a difficult market in London and the South East and further Professional Indemnity Claims referred to above.

Principal risks and uncertainties

The company'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 subject to changes in consumer confidence, which has been lower in 2017 due to levels of uncertainty following the UK's referendum vote to leave the EU. The group has a focus on retaining key customer relationships through high levels of customer service, which has enabled the Group to compete successfully in a difficult 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.

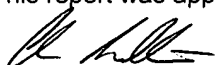
JV LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2017**

Financial key performance indicators

	2017	2016
Total Surveys Carried Out	55,595	68,723
Total Income	£10.5m	£11.3m
EBITDA before exceptionals	£388k	£1.9m
EBITDA Margin	3.7%	17.1%

This report was approved by the board on 25 July 2017 and signed on its behalf.



C Anderton
Director

JV LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2017

The directors present their report and the financial statements for the year ended 31 March 2017.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting 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 financial statements;
- 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.

Results and dividends

The loss for the year, after taxation, amounted to £881,208 (2016 - profit £641,108).

Directors

The directors who served during the year were:

G Brewster
P Gratton
I Fergusson
C Anderton
C Grinyer

Future developments

We continue in our strategy to grow the business through market share gains driven by best-in-class performance.

JV LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2017**

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

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

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditor

The auditor, KPMG LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 25 July 2017 and signed on its behalf.



C Anderton
Director

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF JV LIMITED

We have audited the financial statements of JV Limited for the year ended 31 March 2017, set out on pages 7 to 24. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

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 on page 3, 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 Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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 financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2017 and of its loss 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.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Strategic and the Directors' report:

- We have not identified material misstatements in those reports; and
- In our opinion, those reports have been prepared in accordance with Companies Act 2006.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF JV LIMITED (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.



Craig Parkin (Senior Statutory Auditor)

for and on behalf of
KPMG LLP

Statutory auditor and chartered accountants

St Nicholas House
31 Park Row
Nottingham
NG1 6FQ

25 July 2017

JV LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2017**

	Note	2017 £	2016 £
Turnover	3	10,461,682	11,339,546
Other external charges		(4,920,407)	(4,522,258)
Exceptional other external charges	10	(1,200,000)	(1,000,000)
Gross profit		4,341,275	5,817,288
Staff costs		(5,152,902)	(4,883,965)
Depreciation and amortisation		(129,927)	(60,971)
Operating (loss)/profit	4	(941,554)	872,352
Interest payable and similar expenses	8	(234,374)	(139,000)
(Loss)/profit before tax		(1,175,928)	733,352
Tax on (loss)/profit	9	294,720	(92,244)
(Loss)/profit for the financial year		(881,208)	641,108

There were no recognised gains and losses for 2017 or 2016 other than those included in the statement of comprehensive income.

The notes on pages 10 to 24 form part of these financial statements.

JV LIMITED
REGISTERED NUMBER:04491974

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2017

	Note	2017 £	2016 £
Fixed assets			
Intangible assets	11	620,708	448,977
Tangible assets	12	20,412	29,976
Debtors More Than One Year	13	163,791	-
		<u>804,911</u>	<u>478,953</u>
Current assets			
Debtors: amounts falling due within one year	13	1,569,032	1,475,971
Cash at bank and in hand		199,336	407,562
		<u>1,768,368</u>	<u>1,883,533</u>
Creditors: amounts falling due within one year	14	(1,940,616)	(1,580,114)
Net current (liabilities)/assets		<u>(172,248)</u>	<u>303,419</u>
Total assets less current liabilities		<u>632,663</u>	<u>782,372</u>
Creditors: amounts falling due after more than one year	15	(4,597,374)	(3,865,875)
Net liabilities		<u>(3,964,711)</u>	<u>(3,083,503)</u>
Capital and reserves			
Called up share capital	18	200,000	200,000
Profit and loss account		(4,164,711)	(3,283,503)
		<u>(3,964,711)</u>	<u>(3,083,503)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 25 July 2017.



C Anderton
Director

The notes on pages 10 to 24 form part of these financial statements.

JV LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2017**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 April 2015	200,000	(3,924,611)	(3,724,611)
Total comprehensive income for the year			
Profit for the year	-	641,108	641,108
At 1 April 2016	<u>200,000</u>	<u>(3,283,503)</u>	<u>(3,083,503)</u>
Total comprehensive income for the year			
Loss for the year	-	(881,208)	(881,208)
At 31 March 2017	<u><u>200,000</u></u>	<u><u>(4,164,711)</u></u>	<u><u>(3,964,711)</u></u>

JV LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

1. Accounting policies

1.1 Basis of preparation of financial statements

JV Limited (the "Company") is a company incorporated, domiciled and registered in England in the UK. The registered number is 04491974 and the registered address is 3&4 Regan Way, Chilwell, Nottingham, NG9 6RZ.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). The amendments to FRS 101 (2014/15 Cycle) issued in July 2015 have been applied. In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest pound.

The Company's ultimate parent undertaking, SDL Property Services Group Limited, includes the Company in its consolidated financial statements. The consolidated financial statements of SDL Property Services Group Limited are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from its registered office. The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements. The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements. Details of judgements and key sources of estimation uncertainty are set out in note 2.

JV LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

1. Accounting policies (continued)

1.2 Financial reporting standard 101 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share based payment
- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations
- the requirements of paragraph 33(c) of IFRS 5 Non Current Assets Held For Sale and Discontinued Operations
- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
 - paragraph 118(e) of IAS 38 Intangible Assets;
 - paragraphs 76 and 79(d) of IAS 40 Investment Property; and
 - paragraph 50 of IAS 41 Agriculture
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

1.3 Measurement convention

The financial statements are prepared on the historical cost basis.

1.4 Going concern

The financial statements have been prepared on a going concern basis, notwithstanding net liabilities of £3,964,711, for the following reasons:

- The directors have prepared projections for the period to 31 March 2020. These projections have been prepared using assumptions which the directors consider to be appropriate to the current financial position of the company and demonstrate future profitability.
- The directors of the parent company and the ultimate group have given assurances over their continued financial support. At the year end £4,323,207 was owing to group undertakings.

JV LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

1. Accounting policies (continued)

1.5 Classification of financial instruments issued by the Company

Following the adoption of IAS 32, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and
- (b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

1.6 Revenue

Turnover comprises revenue recognised by the company when a valuation report is issued, exclusive of value added tax.

1.7 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on the following bases:

Development expenditure	-	33 % reducing balance
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1.8 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

JV LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

1. Accounting policies (continued)

1.8 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Motor vehicles	-	25% reducing balance
Office equipment	-	33% reducing balance

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

1.9 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

1.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

1.11 Non-derivative financial instruments

Trade and other debtors

Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method, less any impairment loss.

Trade and other creditors

Trade and other creditors are initially recognised at fair value. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

JV LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

1. Accounting policies (continued)

1.12 Impairment excluding stocks and deferred tax assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the Company's non-financial assets, other than stocks and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units, or ("CGU"). Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed.

In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

JV LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

1. Accounting policies (continued)

1.13 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

1.14 Interest payable

Interest payable is charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

1.15 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

1.16 Borrowing costs

All borrowing costs are recognised in the Income Statement in the year in which they are incurred.

1.17 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

JV LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

1. Accounting policies (continued)

1.18 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

2. Judgments in applying accounting policies and key sources of estimation uncertainty

Other creditors represents the estimated cost to the group of settling claims against previous property valuations undertaken by the Company. The estimate of the provisions is by their nature judgmental. Three key inputs: claim rate, claim rate liability and average loss are very sensitive to changes in trends. The claims relate to valuations performed prior to 2008. There have been very few claims received in relation to valuations performed post 2008.

While there are many factors which determine the settlement date of any claims, the expected cash flows are estimated based on the average length of time it takes to settle claims historically, which has been around 2 years.

3. Turnover

All turnover arose within the United Kingdom from the rendering of services.

4. Operating (loss)/profit

The operating (loss)/profit is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets	9,564	14,142
Amortisation of intangible assets, including goodwill	120,363	46,829
Defined contribution pension cost	106,061	87,522

5. Auditor's remuneration

Auditor's remuneration for the year ended 31 March 2017 and 2016 has been incurred by Direct Valuations Limited, a fellow subsidiary of SDL Property Services Group Limited, of the fees incurred £20,000 related to JV Limited.

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent company

JV LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

6. Employees

Staff costs, including directors' remuneration, were as follows:

	2017 £	2016 £
Wages and salaries	4,470,672	4,278,101
Social security costs	576,169	518,342
Cost of defined contribution scheme	106,061	87,522
	<u>5,152,902</u>	<u>4,883,965</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2017 No.	2016 No.
Surveying	<u>81</u>	<u>68</u>

7. Directors' remuneration

	2017 £	2016 £
Directors' emoluments	165,381	-
	<u>165,381</u>	<u>-</u>

All remuneration was paid by Direct Valuations Limited, the Company's parent undertaking.

8. Interest payable and similar expenses

	2017 £	2016 £
Interest payable on loans from group undertakings	234,374	139,000
	<u>234,374</u>	<u>139,000</u>

JV LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

9. Taxation

	2017 £	2016 £
Corporation tax		
Adjustments in respect of prior periods	(38,193)	(3,943)
Total current tax	<u>(38,193)</u>	<u>(3,943)</u>
Deferred tax		
Adjustments in respect of prior periods	(34,412)	17,486
Origination and reversal of timing differences	(232,769)	127,216
Effect of tax rate change on opening balances	10,654	(48,515)
Total deferred tax	<u>(256,527)</u>	<u>96,187</u>
Taxation on (loss)/profit on ordinary activities	<u><u>(294,720)</u></u>	<u><u>92,244</u></u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2016 - lower than) the standard rate of corporation tax in the UK of 20% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
(Loss)/profit on ordinary activities before tax	<u>(1,175,928)</u>	<u>733,352</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2016 - 20%)	(235,186)	146,670
Effects of:		
Research and development tax credit	(91,000)	-
Non-taxable income	-	(19,454)
Adjustments to tax charge in respect of previous periods - deferred tax	(34,412)	(48,515)
Deferred tax not provided for	40,000	-
Adjustments to tax charge in respect of previous periods	(38,193)	(3,943)
Change in tax rate	51,366	17,486
Group relief surrendered	12,705	-
Total tax charge for the year	<u><u>(294,720)</u></u>	<u><u>92,244</u></u>

JV LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

9. Taxation (continued)

Factors that may affect future tax charges

The company has taxable losses carried forward of £2.8M (2016: £1.5M) available to utilise against future profits. A deferred tax asset has been recognised (note 12) based on expected utilisation of losses in future years as per the Company's forecasts. Reductions in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. The deferred tax asset at 31 March 2017 has been calculated based on these rates. An additional reduction to 17% (effective from 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly and reduce the deferred tax asset at 31 March 2017 by £nil.

10. Exceptional items

	2017 £	2016 £
Exceptional items - PI	1,200,000	1,000,000
	<u>1,200,000</u>	<u>1,000,000</u>

Other creditors include a provision for the estimated expected future cost of settling claims against previous property valuations undertaken by the Company. Although the number of claims is still in line with initial expectation, the average value of settlement on valuations performed prior to 2008 has increased and the cost has been recognised as an exceptional item.

JV LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

11. Intangible assets

	Develop- ment £
Cost	
At 1 April 2016	768,081
Additions - external	292,094
	<hr/>
At 31 March 2017	1,060,175
Amortisation	
At 1 April 2016	319,104
Charge for the year	120,363
	<hr/>
At 31 March 2017	439,467
	<hr/>
Net book value	
At 31 March 2017	620,708
	<hr/>
At 31 March 2016	448,977
	<hr/>

Development expenditure is internal and external development of software to improve the operational processes. The expenditure is written off at 33% reducing balance.

JV LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

12. Tangible fixed assets

	Office equipment £
Cost or valuation	
At 1 April 2016	217,889
At 31 March 2017	<u>217,889</u>
Depreciation	
At 1 April 2016	187,913
Charge for the period on owned assets	9,564
At 31 March 2017	<u>197,477</u>
Net book value	
At 31 March 2017	<u>20,412</u>
At 31 March 2016	<u>29,976</u>

13. Debtors

	2017 £	2016 £
Due after more than one year		
Deferred taxation (note 16)	163,791	-
	<u>163,791</u>	<u>-</u>
Due within one year		
Trade debtors	1,185,281	1,247,805
Other debtors	38,193	3,943
Prepayments and accrued income	95,767	66,857
Deferred taxation (note 16)	249,791	157,366
	<u>1,569,032</u>	<u>1,475,971</u>

JV LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

14. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	46,956	99,294
Amounts owed to group undertakings	525,833	-
Other taxation and social security	515,722	509,439
Other creditors	679,798	672,000
Accruals and deferred income	172,307	299,381
	<u>1,940,616</u>	<u>1,580,114</u>

Amounts owed to group undertakings are interest free and repayable on demand.

15. Creditors: Amounts falling due after more than one year

	2017 £	2016 £
Amounts owed to group undertakings	3,797,374	3,738,000
Other creditors	800,000	127,875
	<u>4,597,374</u>	<u>3,865,875</u>

The amounts owed to group undertakings is a loan from SDL Property Services Group Limited which is due on 31 March 2020 and accrues interest at 6% per annum.

16. Financial instruments

	2017 £	2016 £
Financial assets		
Cash and cash equivalents	199,336	407,562
Financial assets that are debt instruments measured at amortised cost	1,223,474	1,251,748
	<u>1,422,810</u>	<u>1,659,310</u>
Financial liabilities		
Financial liabilities measured at amortised cost	(6,080,798)	(4,936,550)
	<u>(6,080,798)</u>	<u>(4,936,550)</u>

Financial assets that are debt instruments measured at amortised cost comprise trade debtors and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, accruals, other creditors and amounts owed to group undertakings.

JV LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

17. Deferred taxation

	2017 £	2016 £
At beginning of year	157,366	253,807
Charged to the profit or loss	256,216	(96,441)
At end of year	413,582	157,366

The deferred tax asset is made up as follows:

	2017 £	2016 £
Accelerated capital allowances	(60,060)	7,062
Tax losses carried forward	473,642	150,304
	413,582	157,366

18. Share capital

	2017 £	2016 £
Shares classified as equity		
Allotted, called up and fully paid		
200,000 Ordinary shares of £1 each	200,000	200,000

19. Pension commitments

The Company operates a defined contributions pension scheme. 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 £106,061 (2016: £87,522). Contributions totaling £Nil (2016: £Nil) were payable to the fund at the reporting date.

JV LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

20. Related party transactions

Sesame Bankhall Services Limited is a company in which a group company has an investment and for which P Gratton and G Brewster are directors. 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 SDL Property Services Group Limited, the company's ultimate parent company.

	2017 £	2016 £
Sesame Bankhall Services Limited		
Sales, management charges and other recharges	6,652,099	7,963,376
Amount due from related party	759,368	841,254
SDL Property Services Group Limited		
Loan	3,797,374	1,950,000
J&E Shepherd Partnership		
Services sold	(3,538)	(112,030)
Services purchased	201,848	190,357

The Company has taken advantage of the relief available under FRS101.8(k) in respect of Related Party Disclosures and does not disclose transactions with wholly owned entities that are fellow group companies.

21. Controlling party

The Company is a wholly owned subsidiary of Direct Valuations Limited, an entity incorporated in England & Wales. The largest and smallest group in which the results of the Company are consolidated is that headed by SDL Property Services Group Limited, incorporated in England & Wales. Consolidated financial statements are available from the Company's registered office at 3-4 Regan Way, Chilwell, Nottingham, NG9 6RZ. In the opinion of the directors of SDL Property Services Group Limited there is no ultimate controlling party.