

Registered number: 04491974

## JV LIMITED

### ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018



## **JV LIMITED**

### **COMPANY INFORMATION**

<b>Directors</b>	G Brewster P Gratton I Fergusson C Anderton C Grinyer (resigned 19 June 2018)
<b>Company secretary</b>	S Tuck
<b>Registered number</b>	04491974
<b>Registered office</b>	3&4 Regan Way Chetwynd Business Park Chilwell Nottingham NG9 6RZ
<b>Independent auditor</b>	KPMG LLP Statutory auditor and chartered accountants St Nicholas House 31 Park Row Nottingham NG1 6FQ
<b>Bankers</b>	HSBC plc 26 Clumber street Nottingham NG1 3GA

## **JV LIMITED**

### **CONTENTS**

	<b>Page</b>
<b>Strategic Report</b>	<b>1 - 2</b>
<b>Directors' Report</b>	<b>3 - 4</b>
<b>Independent Auditor's Report</b>	<b>5 - 6</b>
<b>Statement of Comprehensive Income</b>	<b>7</b>
<b>Statement of Financial Position</b>	<b>8</b>
<b>Statement of Changes in Equity</b>	<b>9</b>
<b>Notes to the Financial Statements</b>	<b>10 - 24</b>

## **JV LIMITED**

### **STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2018**

#### **Introduction**

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

The UK Housing market has remained steady in 2017, with transaction volumes at 1.2 million being flat against 2014, 2015 and 2016 levels, albeit with the geography of property transactions continuing to redistribute around the country away from London and the South East. UK Finance forecasts these transactions to remain relatively flat over the next 12 to 24 months, which matches the SDL Board's expectation that the market will remain subdued through the period of the UK's exit from the EU. Re-mortgage lending climbed by around 10% in 2017, albeit remains significantly behind levels seen historically.

#### **Business review**

Revenues increased by around 16% in the year, driven by increasing our number of employed surveyors and taking advantage of a stable market. Productivity gains from these more consistent volumes drove an increase in operating profits in the year (excluding exceptional items) from £259k to £600k.

JV Ltd has net liabilities of £3.8m, an improvement of £0.2m on prior year. This improvement represents the successful trading year within the business and the improving exposure to Professional Indemnity Claims covered above.

#### **Principal risks and uncertainties**

The Group's revenues and profits are substantially dependent on the volume of housing transactions in the UK residential property market. During recent years, the mortgage market has been stable, but remains cyclical and subject to changes in consumer confidence. 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 2018**

**Financial key performance indicators**

	2018	2017
Total Surveys Carried Out	70,734	63,110
Total Income	£12.2m	£10.6m
EBITDA before exceptionals	£785k	£388k
EBITDA Margin	6.4%	3.7%

This report was approved by the board on 27 September 2018 and signed on its behalf.



**C Anderton**  
Director

## **JV LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2018**

The directors present their report and the financial statements for the year ended 31 March 2018.

#### **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 FRS 101 'Reduced Disclosure Framework'.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

#### **Results and dividends**

The profit for the year, after taxation, amounted to £174,000 (2017 - loss £881,000).

The director's have not recommended the payment of a dividend for either the current or prior year.

#### **Directors**

The directors who served during the year were:

G Brewster  
P Gratton  
I Fergusson  
C Anderton  
C Grinyer (resigned 19 June 2018)

#### **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 2018**

**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 27 September 2018 and signed on its behalf.



C Anderton  
Director

## **JV LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JV LIMITED**

#### **Opinion**

We have audited the financial statements of JV Limited ("the company") for the year ended 31 March 2018, which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

#### **Going concern**

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

#### **Strategic and Director's reports**

The directors are responsible for the strategic and the directors' reports. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic and the directors' reports and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic and the directors' reports;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

#### **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required 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; or

We have nothing to report in these respects.



## **JV LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JV LIMITED**

#### **Directors' responsibilities**

As explained more fully in their statement set out 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; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities**

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

#### **The purpose of our audit work and to whom we owe our responsibilities**

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.



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

27 September 2018

**JV LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2018**

	Note	2018 £000	2017 £000
Turnover	3	12,203	10,462
Other external charges		(5,463)	(4,920)
Exceptional other external charges	10	-	(1,200)
<b>Gross profit</b>		<b>6,740</b>	<b>4,342</b>
Staff costs	6	(5,982)	(5,153)
Depreciation and amortisation		(158)	(130)
<b>Operating profit/(loss)</b>	4	<b>600</b>	<b>(941)</b>
Interest payable and expenses	8	(262)	(234)
<b>Profit/(loss) before tax</b>		<b>338</b>	<b>(1,175)</b>
Tax on profit/(loss)	9	(164)	294
<b>Profit/(loss) for the financial year</b>		<b>174</b>	<b>(881)</b>

There were no recognised gains and losses for 2018 or 2017 other than those included in the statement of comprehensive income.

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

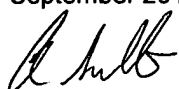
The Company has initially applied IFRS 15 using the cumulative effect method. Under this method, the comparative information is not restated. This has had no impact on the financial statements.

**JV LIMITED**  
**REGISTERED NUMBER:04491974**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2018**

	Note	2018 £000	2017 £000
<b>Fixed assets</b>			
Intangible assets	11	482	621
Tangible assets	12	1	20
		<u>483</u>	<u>641</u>
<b>Current assets</b>			
Debtors: amounts falling due after more than one year	13	-	164
Debtors: amounts falling due within one year	13	2,187	1,569
Bank and cash balances		23	199
		<u>2,210</u>	<u>1,932</u>
Creditors: amounts falling due within one year	14	(1,581)	(1,941)
<b>Net current assets/(liabilities)</b>		<u>629</u>	<u>(9)</u>
<b>Total assets less current liabilities</b>		<u>1,112</u>	<u>632</u>
Creditors: amounts falling due after more than one year	15	(4,903)	(4,597)
		<u>(3,791)</u>	<u>(3,965)</u>
<b>Net liabilities</b>		<u>(3,791)</u>	<u>(3,965)</u>
<b>Capital and reserves</b>			
Called up share capital	18	200	200
Profit and loss account		(3,991)	(4,165)
		<u>(3,791)</u>	<u>(3,965)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27 September 2018.



**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 2018**

	Called up share capital £000	Profit and loss account £000	Total equity £000
<b>At 1 April 2016</b>	200	(3,284)	(3,084)
<b>Total comprehensive expense for the year</b>			
Loss for the year	-	(881)	(881)
<b>At 1 April 2017</b>	<u>200</u>	<u>(4,165)</u>	<u>(3,965)</u>
<b>Total comprehensive income for the year</b>			
Profit for the year	-	174	174
<b>At 31 March 2018</b>	<u><u>200</u></u>	<u><u>(3,991)</u></u>	<u><u>(3,791)</u></u>

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

The Company has initially applied IFRS 15 using the cumulative effect method. Under this method, the comparative information is not restated. This has had no impact on the financial statements.

## **JV LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018**

#### **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"). 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 in the application of these accounting policies are detailed in note 2.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

**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 £3,791,000, for the following reasons:

- The directors have prepared projections for the period to 31 March 2021. These projections have been prepared using assumptions which the directors consider to be appropriate to the current financial position of the company and demonstrate continued future profitability.
- The directors of the parent company and the ultimate group have given assurances over their continued financial support. At the year end £5,332,000 was owing to group undertakings.

## **JV LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018**

#### **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**

The Company has applied IFRS 15, Revenue from contracts with customers, using the cumulative effect method and therefore the comparative information has not been restated and continues to be reported under IAS 18. The details of accounting policies under IAS 18 are disclosed separately if they are different from those under IFRS 15. This has not had an impact on the financial statements at implementation.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognises revenue when it transfers control over a product or service to a customer.

Turnover comprises surveying fees exclusive of value added tax. Fees are recognised at the point the survey is completed and the report provided to the customer. This is the same as in the comparative period.

##### **1.7 Intangible assets**

The Company invests substantial expenditure in internal and external development of software to improve operational processes which is capitalised as an intangible.

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	-	20 % straight line
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Following a review of depreciation and amortisation policies, the amortisation on development expenditure has been modified to 20% straight line from 15% straight line. In line with IAS 8 this is considered to be a change in accounting estimate and as such has been accounted for prospectively from the point of change.

## JV LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

#### 1. Accounting policies (continued)

##### 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.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Motor vehicles	-	25% straight line
Office equipment	-	25% straight line

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.

Following a review of depreciation and amortisation policies, the depreciation rates have been modified to 25% straight line from 33% reducing balance for office equipment and 25% reducing balance for motor vehicles. In line with IAS 8 this is considered to be a change in accounting estimate and as such has been accounted for prospectively from the point of change.

##### 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.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

**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 2018**

#### **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 2018

#### 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 judgemental. Three key inputs: claim rate, claim rate liability and average loss are very sensitive to changes in trends. The claims relate primarily 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

IFRS 15 has been implemented using the cumulative effect method and therefore the comparative information has not been restated and continues to be prepared under IAS18. The details of accounting policies under IAS18 are disclosed separately if they are different from those under IFRS 15. This has not had an impact on these financial statements.

The following is a description of the principal activities from which the Company generates its revenue in line with IFRS 15. For further detail on the accounting policy for the current year please see note 1.6.

The company generates all of its revenue from surveying. Revenue is recognised when the survey is completed and the report provided to the customer as this is the primary performance obligation. This is the same point at which customers are invoiced.

All turnover was generated in the United Kingdom. There is no deferred or accrued income on either the opening or closing balance sheet.

#### 4. Operating profit/(loss)

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

	2018 £000	2017 £000
Depreciation of tangible fixed assets	6	10
Amortisation of intangible assets, including goodwill	137	120
Loss on disposal	15	-
Defined contribution pension cost	112	106

# JV LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

### 5. Auditor's remuneration

The company paid the following amounts to its auditors in respect of the audit of the financial statements and for other services provided to the Company:

Auditor's remuneration for the year ended 31 March 2018 and 2017 has been incurred by SDL Surveying Limited, a fellow subsidiary of SDL Property Services Group Limited, of the fees incurred £22,500 (2017: £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

### 6. Employees

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

	2018 £000	2017 £000
Wages and salaries	5,236	4,471
Social security costs	634	576
Cost of defined contribution scheme	112	106
	<u>5,982</u>	<u>5,153</u>

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

	2018 No.	2017 No.
Surveying	<u>84</u>	<u>81</u>

### 7. Directors' remuneration

	2018 £000	2017 £000
Directors' emoluments	149	165
	<u>149</u>	<u>165</u>

All remuneration was paid by SDL Surveying Limited, the Company's parent undertaking.

**JV LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

**8. Interest payable and similar expenses**

	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
Loans from group undertakings	<b>262</b>	<b>234</b>
	<u><b>262</b></u>	<u><b>234</b></u>
	<u><u><b>262</b></u></u>	<u><u><b>234</b></u></u>

**9. Taxation**

	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
<b>Corporation tax</b>		
Adjustments in respect of prior periods	-	(38)
	<u>-</u>	<u>(38)</u>
	<u><u>-</u></u>	<u><u>(38)</u></u>
<b>Deferred tax</b>		
Adjustments in respect of prior periods	<b>55</b>	(34)
Origination and reversal of timing differences	<b>109</b>	(233)
Effect of tax rate change on opening balances	-	11
	<u><b>164</b></u>	<u>(256)</u>
<b>Total deferred tax</b>	<u><b>164</b></u>	<u>(256)</u>
	<u><u><b>164</b></u></u>	<u><u>(294)</u></u>
<b>Taxation on profit/(loss) on ordinary activities</b>	<u><u><b>164</b></u></u>	<u><u>(294)</u></u>

**JV LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

**9. Taxation (continued)**

**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2017 - *lower than*) the standard rate of corporation tax in the UK of 19% (2017 - 20%). The differences are explained below:

	<b>2018 £000</b>	<b>2017 £000</b>
Profit/(loss) before tax	<b>338</b>	<b>(1,175)</b>
Profit/(loss) before tax multiplied by standard rate of corporation tax in the UK of 19% (2017 - 20%)	<b>64</b>	<b>(235)</b>
<b>Effects of:</b>		
Research and development tax credit	-	(91)
Adjustments to tax charge in respect of previous periods - deferred tax	<b>55</b>	<b>(34)</b>
Deferred tax not provided for	-	40
Adjustments to tax charge in respect of previous periods	-	(38)
Change in tax rate	<b>(5)</b>	<b>51</b>
Group relief surrendered	<b>50</b>	<b>13</b>
<b>Total tax charge for the year</b>	<b>164</b>	<b>(294)</b>

**Factors that may affect future tax charges**

The company has taxable losses carried forward of £1.6M (2017: £2.8M) available to utilise against future profits. Reductions in the UK corporation tax rate from 19% to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. 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 2018 by £nil.

**10. Exceptional items**

	<b>2018 £000</b>	<b>2017 £000</b>
Exceptional items - Professional Indemnity provision	-	1,200
	-	1,200

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

**JV LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

**11. Intangible assets**

	<b>Develop- ment £000</b>
<b>Cost</b>	
At 1 April 2017	1,060
Disposals	(236)
	<hr/>
At 31 March 2018	824
<b>Amortisation</b>	
At 1 April 2017	439
Charge for the year	137
On disposals	(235)
	<hr/>
At 31 March 2018	341
	<hr/>
<b>Net book value</b>	
At 31 March 2018	483
	<hr/> <hr/>
At 31 March 2017	621
	<hr/> <hr/>

Development expenditure is internal and external development of software to improve the operational process. The expenditure is written off at 20% reducing balance.

**JV LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

**12. Tangible fixed assets**

	Office equipment £000
<b>Cost or valuation</b>	
At 1 April 2017	218
Disposals	(217)
	<hr/>
At 31 March 2018	1
	<hr/>
At 1 April 2017	197
Charge for the year on owned assets	6
Disposals	(203)
	<hr/>
At 31 March 2018	-
	<hr/>
<b>Net book value</b>	
At 31 March 2018	1
	<hr/> <hr/>
At 31 March 2017	20
	<hr/> <hr/>

During the year the business disposed of its fully written off assets.

**13. Debtors**

	2018 £000	2017 £000
<b>Due after more than one year</b>		
Deferred tax asset (note 17)	-	164
	<hr/>	<hr/>
	-	164
	<hr/> <hr/>	<hr/> <hr/>
<b>Due within one year</b>		
Trade debtors	1,129	1,185
Amounts owed by group undertakings	665	-
Other debtors	-	38
Prepayments and accrued income	143	96
Deferred taxation	250	250
	<hr/>	<hr/>
	2,187	1,569
	<hr/> <hr/>	<hr/> <hr/>



**JV LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

**13. Debtors (continued)**

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

**14. Creditors: Amounts falling due within one year**

	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
Trade creditors	86	47
Amounts owed to group undertakings	-	526
Other taxation and social security	477	516
Other creditors	725	680
Accruals	293	172
	<u>1,581</u>	<u>1,941</u>

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

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

	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
Amounts owed to group undertakings	4,591	3,797
Other creditors	312	800
	<u>4,903</u>	<u>4,597</u>

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

JV LIMITED

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

**16. Financial instruments**

	<b>2018 £000</b>	<b>2017 £000</b>
<b>Financial assets</b>		
Cash and cash equivalents	<b>23</b>	199
Financial assets that are debt instruments measured at amortised cost	<b>2,574</b>	1,223
	<u><b>2,597</b></u>	<u>1,422</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<b>(6,748)</b>	(6,081)
	<u><b>(6,748)</b></u>	<u>(6,081)</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.

**17. Deferred taxation**

	<b>2018 £000</b>	<b>2017 £000</b>
At beginning of year	<b>413</b>	157
Charged to the profit or loss	<b>(163)</b>	256
<b>At end of year</b>	<u><b>250</b></u>	<u>413</u>

The deferred tax asset is made up as follows:

	<b>2018 £000</b>	<b>2017 £000</b>
Accelerated capital allowances	<b>(29)</b>	(60)
Tax losses carried forward	<b>279</b>	474
	<u><b>250</b></u>	<u>414</u>

# JV LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

### 18. Share capital

	2018 £000	2017 £000
<b>Allotted, called up and fully paid</b>		
200,000 Ordinary shares of £1 each	<u>200</u>	<u>200</u>

### 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 £112,004 (2017: £106,061). Contributions totaling £Nil (2017: £Nil) were payable to the fund at the reporting date.

### 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.

	2018 £000	2017 £000
<b>Sesame Bankhall Services Limited</b>		
Sales, management charges and other recharges	7,839,163	6,652,099
Amount due from related party	769,793	759,368
<b>J&amp;E Shepherd Partnership</b>		
Services sold	-	(3,538)
Services purchased	121,637	201,848
Amount owed to related party	<u>17,700</u>	<u>-</u>

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 SDL Surveying 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, which is also considered to be the ultimate controlling party, incorporated in England & Wales. Consolidated financial statements are available from the Company's registered office at 3-4 Regan Way, Chilwell, Nottingham, NG9 6RZ.