

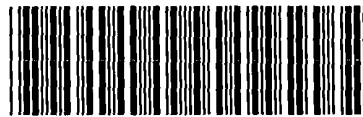
Company Registration No. SC048530 (Scotland)

**EDINBURGH SOLICITORS' PROPERTY CENTRE
LIMITED**

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MAY 2017**

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EDINBURGH SOLICITORS' PROPERTY CENTRE LIMITED

COMPANY INFORMATION

Directors	Ann Fleming Andrew Diamond Craig Forster Alan Hartley Paul Hilton Gordon Kerr Alexander Pratt Susan Calder
Secretary	B Spence
Company number	SC048530
Registered office	90a George Street Edinburgh EH2 3DF
Auditor	RSM UK Audit LLP Chartered Accountants First Floor, Quay 2 139 Fountainbridge Edinburgh EH3 9QG

EDINBURGH SOLICITORS' PROPERTY CENTRE LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MAY 2017

The directors present the strategic report for the year ended 31 May 2017.

Fair review of the business

During the 12 months to May 2017, a variety of factors including uncertainty in the British political landscape, translated into a decrease in the number of properties coming to market and as a result our registration volumes decreased by 8%. This is also the first full financial year during which our reduced registration price has been in operation which compounded with reduced volumes has meant our turnover from property marketing has decreased by 13% overall.

Along with a significant marketing spend and the launch of our successful first time buyers prize draw, we have continued to strengthen our technology proposition with the launch of our mobile app in February 2017 and spending resource time improving the search engine which powers espc.com.

In recognition of our reliance on our property marketing income we have been diversifying into carefully selected areas of business, relevant to our member firms, in which ESPC has never traditionally operated.

Since 2014 we have been involved in residential property lettings and our portfolio has now grown to over 240. As well as now generating income of over £200k, ESPC Lettings is considered a great way for the ESPC brand to become known to consumers at an earlier stage in their property journey.

Our ability to provide design and schedule creation services to our members is a key way in which we aim to help members grow their own businesses in order to compete with independent agents. We have succeeded in growing this part of the business in the year ended 31 May 2017 and have increased our revenue from these services by 18%.

The investment we made last year in our first joint venture, Altis, is another way we have diversified recently and in August 2016, the Law Society of Scotland formally purchased shares in the company. In the short term, we generate income from Altis under a management services agreement and in the long term we expect to generate dividends. The uptake of the online conveyancing platform has been slower than anticipated which has led to the company generating greater early years losses than originally forecast. We remain confident that these early setbacks will be just that and the efficiencies that the platform will drive across the conveyancing process will result in increased turnover in future years.

During the year we invested in a second joint venture, BDP Technology Limited, which is an estate agency software company. A number of our members currently use this estate agency software and it was clear that there is the potential for growth for a system focused on the Scottish market. The company is now focusing on sustainable growth which has meant investing in development resource to ensure that the system is robust and that the functionality is tailored towards its users – our members. Similarly to Altis, in the short term ESPC benefit from income under a management services agreement and in the longer term we expect to generate dividends.

Due to the nature of the structure of both Altis and BDP Technology, we are very involved in the day to day running of these entities as well as at Board level. This allows us to monitor their performance on an ongoing basis so that we can assess to what degree they are meeting their respective business plans and intervene as necessary.

We recognize that in order to compete with national portals in the future, the success of the SPC network is key. On the 26th April 2016, ESPC undertook to provide a loan to GSPC Limited in order to help them restructure their business and return to profit. Four of our directors were appointed to the board of GSPC at that date to allow us the oversight of how the business was performing and allow us to work towards a shared vision for the future with the focus being on more collaboration between the two companies. This revised structure of the GSPC board results in ESPC being considered in control of GSPC for accounting purposes although we have no ownership of the company.

EDINBURGH SOLICITORS' PROPERTY CENTRE LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2017

As a result of the close relationship between the ESPC and GSPC boards, not through legal ownership, the consolidated accounts of Edinburgh Solicitors Property Centre include the results for GSPC Limited from 26 April 2016 and the intercompany transactions between the two companies have been eliminated to show the performance of the group as a whole. Goodwill arises on the consolidation and is being amortised over a period of 44 months as accounting standards necessitate that the amortisation period is reflective of arrangements in place between the two entities with the current agreement running for a period of 44 months.

In addition to the goodwill amortisation charge noted above, the consolidated results for the year ended 31 May 2017 have been affected by the losses made in the year by GSPC, Altis and BDP Technology as specified in the consolidated statement of comprehensive income and in note 16 to the accounts. The operating profit of our core trading business was £244,141.

The reserves position at the year end remained strong at £3.58 million and our cash balance was £4m.

Principal risks and uncertainties

Due to our current pricing model being on a 'per registration' basis, the main uncertainty that we face continues to be the level of activity in the property market. We monitor the market and our performance closely to allow us to react quickly to any changes which may impact us significantly.

As noted above, a high proportion of ESPC's revenue relies on our property marketing income which leaves us open to fluctuating annual results. Through cost control, efficient working practices and our continued core diversification we aim to reduce this reliance in the coming years.

Key performance indicators

In addition to the registration volumes, a key measure of our performance is our market share in both core and non-core areas. We monitor this internally and are pleased that our market share has remained consistent over the year confirming our belief that reduced volumes are being felt over the whole market.

Our key financial aims are to operate in surplus appropriate for a member owned organization and ensure that we have a liquidity ratio greater than 1. The operating profit of the group for the year ended 31 May 2017 was £29,904 and our liquidity ratio at the year end was 1.96.

On behalf of the board



Gordon Kerr

Director

6/12/17

EDINBURGH SOLICITORS' PROPERTY CENTRE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MAY 2017

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

Principal activities

The principal activity of the company and group continued to be the provision of any service which may assist solicitors in their business generally and, in particular, in selling residential property.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Ann Fleming	(Appointed 2 May 2017)
Andrew Diamond	
Craig Forster	
Alan Hartley	
Paul Hilton	
Gordon Kerr	
Alexander Pratt	
Susan Calder	
Hugh Short	(Resigned 31 July 2016)

Results and dividends

The results for the year are set out on page 6.

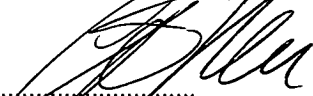
Auditor

RSM UK Audit LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

Statement of disclosure to auditor

So far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the Board


.....
Gordon Kerr
Director
..... 6/12/17

EDINBURGH SOLICITORS' PROPERTY CENTRE LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MAY 2017

The directors are responsible for preparing the Strategic Report and 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 company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EDINBURGH SOLICITORS' PROPERTY CENTRE LIMITED

Opinion on financial statements

We have audited the group and parent company financial statements (the "financial statements") on pages 6 to 31. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 May 2017 and of the group's 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.

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 <http://www.frc.org.uk/auditscopeukprivate>

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.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report or the Directors' Report.

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 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.

Respective responsibilities of directors and auditor

As more fully explained in the Directors' Responsibilities Statement set out on page 4, 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 (APB's) Ethical Standards for Auditors.

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.

RSM UK Audit LLP

Claire Monaghan (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP, Statutory Auditor

Chartered Accountants

First Floor, Quay 2

139 Fountainbridge

Edinburgh

EH3 9QG

18/12/17

EDINBURGH SOLICITORS' PROPERTY CENTRE LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MAY 2017

	Notes	2017 £	2016 £
Turnover	3	10,336,227	8,874,586
Staff costs	4	(2,960,649)	(2,038,844)
Depreciation and other amounts written off tangible and intangible fixed assets	6	(179,395)	(126,800)
Other operating expenses		(7,166,279)	(5,712,607)
Operating profit	6	29,904	996,335
Share of results of associates and joint ventures		(136,985)	(60,984)
Other interest receivable and similar income	8	29,726	20,883
Other interest payable and similar expenses	9	-	(707)
(Loss)/profit before taxation		(77,355)	955,527
Taxation	10	(39,599)	(171,842)
(Loss)/profit for the financial year		(116,954)	783,685

EDINBURGH SOLICITORS' PROPERTY CENTRE LIMITED**CONSOLIDATED STATEMENT OF FINANCIAL POSITION****AS AT 31 MAY 2017**

	Notes	2017 £	£	2016 £	£
Fixed assets					
Goodwill	11		111,914		-
Other intangible assets	11		96,890		106,318
Total intangible assets			208,804		106,318
Tangible assets	12		545,782		539,413
Investments	13		600,525		387,510
			1,355,111		1,033,241
Current assets					
Stocks	17		-		159
Debtors	18	1,062,206		890,275	
Cash at bank and in hand		4,004,877		4,141,504	
			5,067,083		5,031,938
Creditors: amounts falling due within one year	19	(2,576,912)		(2,100,445)	
Net current assets			2,490,171		2,931,493
Total assets less current liabilities			3,845,282		3,964,734
Creditors: amounts falling due after more than one year	20		(7,809)		-
Provisions for liabilities	22		(255,706)		(266,013)
Net assets			3,581,767		3,698,721
Capital and reserves					
Profit and loss reserves			3,581,767		3,698,721

The financial statements were approved by the board of directors and authorised for issue on 6/12/17 and are signed on its behalf by:


Gordon Kerr
Director

EDINBURGH SOLICITORS' PROPERTY CENTRE LIMITED**COMPANY STATEMENT OF FINANCIAL POSITION****AS AT 31 MAY 2017**

	Notes	2017 £	£	2016 £	£
Fixed assets					
Investments	13		10,000		10,000
			=====		=====
Capital and reserves					
Profit and loss reserves			10,000		10,000
			=====		=====

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes as it prepares group accounts. The company's profit for the year was £nil (2016: £nil).

The financial statements were approved by the board of directors and authorised for issue on 6/12/17 and are signed on its behalf by:



 Gordon Kerr
 Director

EDINBURGH SOLICITORS' PROPERTY CENTRE LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MAY 2017

	Profit and loss reserves £
Balance at 1 June 2015	2,915,036
Year ended 31 May 2016:	
Profit and total comprehensive income for the year	783,685
Balance at 31 May 2016	3,698,721
Year ended 31 May 2017:	
Loss and total comprehensive income for the year	(116,954)
Balance at 31 May 2017	3,581,767

EDINBURGH SOLICITORS' PROPERTY CENTRE LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MAY 2017

	Profit and loss reserves £
Balance at 1 June 2015	10,000
Year ended 31 May 2016:	
Profit and total comprehensive income for the year	-
Balance at 31 May 2016	10,000
Year ended 31 May 2017:	
Profit and total comprehensive income for the year	-
Balance at 31 May 2017	10,000

EDINBURGH SOLICITORS' PROPERTY CENTRE LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MAY 2017

	Notes	2017 £	£	2016 £	£
Cash flows from operating activities					
Cash generated from operations	25	112,425		845,366	
Interest paid		-		(707)	
Income taxes paid		(177,464)		(114,528)	
Net cash (outflow)/inflow from operating activities		(65,039)		730,131	
Investing activities					
Purchase of intangible assets		(35,335)		(65,454)	
Purchase of tangible fixed assets		(110,730)		(112,679)	
Proceeds on disposal of tangible fixed assets		30,615		290	
Purchase of subsidiaries		14,136		-	
Investment in joint ventures		-		(439,994)	
Purchase of unlisted investments		-		(8,500)	
Interest received		29,726		20,883	
Net cash used in investing activities		(71,588)		(605,454)	
Net cash used in financing activities		-		-	
Net (decrease)/increase in cash and cash equivalents		(136,627)		124,677	
Cash and cash equivalents at beginning of year		4,141,504		4,016,827	
Cash and cash equivalents at end of year		4,004,877		4,141,504	

EDINBURGH SOLICITORS' PROPERTY CENTRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2017

1 Accounting policies

Company information

Edinburgh Solicitors' Property Centre Limited ("the company") is a private company limited by guarantee, and is registered, domiciled and incorporated in Scotland. The registered office is 90a George Street, Edinburgh, Midlothian, EH2 3DF

The group consists of Edinburgh Solicitors' Property Centre Limited and all of its subsidiaries.

The company's and the group's principal activities and nature of its operations are disclosed in the Directors' Report.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures

Basis of consolidation

The consolidated financial statements incorporate those of Edinburgh Solicitors' Property Centre Limited and all of its subsidiaries (i.e. entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

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. Where subsidiaries do not adopt accounting periods that are co-terminous with the Group's, results and net assets are based upon accounts drawn up to the Group's accounting reference date.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

EDINBURGH SOLICITORS' PROPERTY CENTRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2017

1 Accounting policies (Continued)

The cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill.

The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date.

Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date.

Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the group and company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Turnover

Property marketing revenue is recognised over the period which services are provided. The services are deemed to be being provided from the date a registration is made active to the date a property ceases to be marketed with us. The average time to sell a property is reviewed bi-annually and this is considered a key judgement in note 2.

Property report income is recognised on provision of the home report service.

Membership fees are recognised over the period which the subscription covers.

Advertising and schedule income is recognised to the extent that the work has been completed in the period.

Property letting income is recognised in the period during which the management services are provided.

Commission income is recognised when the policy is approved and released by the relevant provider.

Other income consists of a number of items including income derived from management services agreements. All revenue of this nature is recognised in the period during which the services have been provided.

Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of a business combination over the fair value of the net assets over which control was assumed. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite life and is amortised on a systematic basis over its expected useful life, which is 44 months with reference to the terms of the current funding and management agreement in place with Glasgow Solicitors' Property Centre Limited.

EDINBURGH SOLICITORS' PROPERTY CENTRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2017

1 Accounting policies (Continued)

Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date if the fair value can be measured reliably.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software	3 years
Development costs	Amortised upon completion and transfer to software

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	10 years, or duration of lease if shorter
Fixtures and fittings	5 years
Computers	2 - 5 years
Motor vehicles	5 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Fixed asset investments

In the separate accounts of the company, interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Entities in which the group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

EDINBURGH SOLICITORS' PROPERTY CENTRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2017

1 Accounting policies (Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Other financial assets

Other financial assets, including trade investments, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

EDINBURGH SOLICITORS' PROPERTY CENTRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2017

1 Accounting policies (Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Debt instruments where the contractual returns, repayment of the principal, or other terms (such as prepayment provisions or term extensions) do not meet the conditions to be measured at amortised cost, are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the group's contractual obligations are discharged, cancelled, or they expire.

EDINBURGH SOLICITORS' PROPERTY CENTRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2017

1 Accounting policies (Continued)

Equity instruments

Equity instruments issued by the group are recorded at the fair value of the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is recognised on income and expenses from subsidiaries, associates, branches and interests in jointly controlled entities, that will be assessed to or allow for tax in a future period except where the group is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination and the amounts that can be deducted or assessed for tax. The deferred tax recognised is adjusted against goodwill.

For non-depreciable assets measured using the revaluation model and investment properties measured at fair value (except investment property with a limited useful life held by the group to consume substantially all of its economic benefit), deferred tax is measured using the tax rates and allowances that apply to the sale of the asset or property.

EDINBURGH SOLICITORS' PROPERTY CENTRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2017

1 Accounting policies (Continued)

Provisions

Provisions are recognised when the group has a legal or constructive present obligation as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Retirement benefits

For defined contribution schemes the amount charged to profit or loss 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.

Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

EDINBURGH SOLICITORS' PROPERTY CENTRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2017

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Provisions

The directors feel it is appropriate to hold provisions in relation to onerous leases and dilapidations. The onerous lease provision is recognised for the expected future cost of meeting obligations arising from onerous leases, discounted to present value. A dilapidations provision is held for the expected costs to be incurred on the expiry of property leases.

Revenue recognition

ESPC's policy is to bi-annually review how revenue is recognised to ensure that the period it is recognised over takes into consideration the average period of time a property sale may take.

Impairment of investment

The directors assess the value of the investment in the subsidiaries at each reporting date, considering future budgets and forecasts, and reversing any prior impairment losses as necessary.

3 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2017 £	2016 £
Turnover analysed by class of business		
Registrations	4,168,739	3,837,245
Advertising & schedule income	961,806	892,386
Member fees	161,078	135,071
Property reports	4,211,811	3,511,675
Other	565,409	278,325
Letting	267,384	219,884
	<u>10,336,227</u>	<u>8,874,586</u>
 Other revenue		
Interest income	<u>29,726</u>	<u>20,883</u>

EDINBURGH SOLICITORS' PROPERTY CENTRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2017

3 Turnover and other revenue (Continued)

Turnover analysed by geographical market

	2017 £	2016 £
United Kingdom	10,336,227	8,874,586

4 Employees

The average monthly number of persons (including directors) employed during the year was:

	Group 2017 Number	2016 Number	Company 2017 Number	2016 Number
Sales	6	3	-	-
Administration	88	59	-	-
	94	62	-	-

Their aggregate remuneration comprised:

	Group 2017 £	2016 £	Company 2017 £	2016 £
Wages and salaries	2,598,013	1,770,393	-	-
Social security costs	223,916	149,976	-	-
Pension costs	138,720	118,475	-	-
	2,960,649	2,038,844	-	-

5 Directors' remuneration

	2017 £	2016 £
Remuneration for qualifying services	258,108	226,778
Company pension contributions to defined contribution schemes	15,570	10,225
Compensation for loss of office	-	20,000
	273,678	257,003

EDINBURGH SOLICITORS' PROPERTY CENTRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2017

5 Directors' remuneration (Continued)

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2017 £	2016 £
Remuneration for qualifying services	133,337	127,129
Company pension contributions to defined contribution schemes	10,800	10,225

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2016 -1).

6 Operating profit

	2017 £	2016 £
Operating profit for the year is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	113,433	93,389
(Profit)/loss on disposal of tangible fixed assets	(26,963)	9,319
Amortisation of intangible assets	91,694	33,411
Operating lease charges	368,673	335,798

7 Auditor's remuneration

	2017 £	2016 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	1,750	2,650
Audit of the financial statements of the company's subsidiaries	13,450	18,000
	15,200	20,650
For other services		
All other non-audit services	10,800	10,870

8 Interest receivable and similar income

	2017 £	2016 £
Interest income		
Interest on bank deposits	29,726	20,883
Disclosed on the income statement as follows:		
Other interest receivable and similar income	29,726	20,883

EDINBURGH SOLICITORS' PROPERTY CENTRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2017

8 Interest receivable and similar income (Continued)

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	29,726	20,883
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9 Interest payable and similar expenses

	2017 £	2016 £
Other finance costs:		
Other interest	-	707
Total finance costs	-	707
Disclosed on the income statement as follows:		
Other interest payable and similar expenses	-	707

10 Taxation

	2017 £	2016 £
Current tax		
UK corporation tax on profits for the current period	55,624	189,867
Adjustments in respect of prior periods	(12,391)	(28,808)
Total current tax	43,233	161,059
Deferred tax		
Origination and reversal of timing differences	(2,152)	11,946
Changes in tax rates	(1,125)	(1,163)
Adjustment in respect of prior periods	(357)	-
Total deferred tax	(3,634)	10,783
Total tax charge	39,599	171,842

EDINBURGH SOLICITORS' PROPERTY CENTRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2017

10 Taxation (Continued)

The total tax charge for the year included in the income statement can be reconciled to the (loss)/profit before tax multiplied by the standard rate of tax as follows:

	2017 £	2016 £
(Loss)/profit before taxation	(77,355)	955,527
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 20.00% (2016: 20.00%)	(15,471)	191,105
Tax effect of expenses that are not deductible in determining taxable profit	382	815
Change in unrecognised deferred tax assets	-	(10,249)
Adjustments in respect of prior years	(12,391)	(28,808)
Effect of change in corporation tax rate	-	2,037
Deferred tax adjustments in respect of prior years	(1,123)	1,807
Fixed asset differences	4,116	2,938
Other differences	64,086	12,197
Taxation charge for the year	39,599	171,842

11 Intangible fixed assets

Group	Goodwill £	Software £	Development costs £	Total £
Cost				
At 1 June 2016	-	1,667,194	56,300	1,723,494
Additions - internally developed	-	6,335	29,000	35,335
Additions - business combinations	158,845	-	-	158,845
Transfers	-	85,300	(85,300)	-
At 31 May 2017	158,845	1,758,829	-	1,917,674
Amortisation and impairment				
At 1 June 2016	-	1,617,176	-	1,617,176
Amortisation charged for the year	46,931	44,763	-	91,694
At 31 May 2017	46,931	1,661,939	-	1,708,870
Carrying amount				
At 31 May 2017	111,914	96,890	-	208,804
At 31 May 2016	-	50,018	56,300	106,318

The company had no intangible fixed assets at 31 May 2017 or 31 May 2016.

EDINBURGH SOLICITORS' PROPERTY CENTRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2017

12 Tangible fixed assets

Group	Leasehold improvements	Fixtures and fittings	Computers	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 June 2016	628,310	69,910	225,598	30,426	954,244
Additions	41,430	28,669	40,631	-	110,730
Business combinations	-	12,724	-	-	12,724
Disposals	(32,247)	(320)	(6,204)	(7,358)	(46,129)
At 31 May 2017	637,493	110,983	260,025	23,068	1,031,569
Depreciation and impairment					
At 1 June 2016	290,288	27,516	87,769	9,258	414,831
Depreciation charged in the year	41,683	19,226	47,175	5,349	113,433
Eliminated in respect of disposals	(32,247)	-	(4,467)	(5,763)	(42,477)
At 31 May 2017	299,724	46,742	130,477	8,844	485,787
Carrying amount					
At 31 May 2017	337,769	64,241	129,548	14,224	545,782
At 31 May 2016	338,022	42,394	137,829	21,168	539,413

The company had no tangible fixed assets at 31 May 2017 or 31 May 2016.

13 Fixed asset investments

	Notes	Group 2017 £	2016 £	Company 2017 £	2016 £
Investments in subsidiaries	14	-	-	10,000	10,000
Investments in joint ventures	15	592,025	379,010	-	-
Unlisted investments		8,500	8,500	-	-
		600,525	387,510	10,000	10,000

EDINBURGH SOLICITORS' PROPERTY CENTRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2017

13 Fixed asset investments (Continued)

Movements in fixed asset investments Group

	Shares in group undertakings and participating interests £	Other investments other than loans £	Total £
Cost or valuation			
At 1 June 2016	379,010	8,500	387,510
Additions	350,000	-	350,000
Share of losses retained by joint venture	(136,985)	-	(136,985)
At 31 May 2017	592,025	8,500	600,525
Carrying amount			
At 31 May 2017	592,025	8,500	600,525
At 31 May 2016	379,010	8,500	387,510

Movements in fixed asset investments Company

	Shares in group undertakings £
Cost or valuation	
At 1 June 2016 and 31 May 2017	10,000
Carrying amount	
At 31 May 2017	10,000
At 31 May 2016	10,000

14 Subsidiaries

Details of the company's subsidiaries at 31 May 2017 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
ESPC (UK) Limited	Scotland	Provision of business services in respect of selling of residential property	Ordinary	100.00	
MoveMachine Limited	Scotland	Production and marketing of property information reports	Ordinary		100.00
Solicitors Property Shops Limited	Scotland	Dormant	Ordinary	100.00	
DCA Media Limited	Scotland	Dormant	Ordinary		100.00

EDINBURGH SOLICITORS' PROPERTY CENTRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2017

14 Subsidiaries (Continued)

By virtue of common control through Board representation, both Glasgow Solicitors' Property Centre Limited and Glasgow Digital Print Limited are included in the consolidation.

15 Joint ventures

Details of joint ventures at 31 May 2017 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
BDP Technology Limited	Scotland	Business and domestic software development	Ordinary		50.00
Altis Legal Limited	Scotland	Online conveyancing platform	Ordinary		50.00

16 Acquisitions

On 26 April 2016 the group acquired control of Glasgow Solicitors Property Centre Limited by virtue of board representation.

	Book Value £	Adjustments £	Fair Value £
Property, plant and equipment	12,724	-	12,724
Trade and other receivables	226,501	-	226,501
Trade and Other Payables	(412,205)	-	(412,205)
Cash and cash equivalents	14,135	-	14,135
Total identifiable net assets	(158,845)	-	(158,845)
Goodwill			158,845
Total consideration			-

Contribution by the acquired business for the reporting period included in the consolidated statement of comprehensive income since acquisition:

Turnover	2,092,889
Loss after tax	(167,306)

17 Stocks

	Group 2017 £	2016 £	Company 2017 £	2016 £
Finished goods and goods for resale	-	159	-	-

EDINBURGH SOLICITORS' PROPERTY CENTRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2017

18 Debtors

	Group 2017 £	2016 £	Company 2017 £	2016 £
Amounts falling due within one year:				
Trade debtors	529,346	379,193	-	-
Amounts owed by undertakings in which the company has a participating interest	-	21,308	-	-
Other debtors	156,604	141,858	-	-
Prepayments and accrued income	349,746	322,568	-	-
	<u>1,035,696</u>	<u>864,927</u>	<u>-</u>	<u>-</u>
Deferred tax asset (note 23)	26,510	25,348	-	-
	<u>1,062,206</u>	<u>890,275</u>	<u>-</u>	<u>-</u>

19 Creditors: amounts falling due within one year

	Group 2017 £	2016 £	Company 2017 £	2016 £
Trade creditors	778,315	536,214	-	-
Amounts due to undertakings in which the group has a participating interest	224,685	-	-	-
Corporation tax payable	56,342	190,574	-	-
Other taxation and social security	454,956	380,342	-	-
Other creditors	136,287	-	-	-
Accruals and deferred income	926,327	993,315	-	-
	<u>2,576,912</u>	<u>2,100,445</u>	<u>-</u>	<u>-</u>

There is a bond and floating charge by ESPC (UK) Limited over the whole of the assets of that company.

20 Creditors: amounts falling due after more than one year

	Group 2017 £	2016 £	Company 2017 £	2016 £
Accruals and deferred income	<u>7,809</u>	<u>-</u>	<u>-</u>	<u>-</u>

EDINBURGH SOLICITORS' PROPERTY CENTRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2017

21 Financial instruments

	Group 2017 £	2016 £	Company 2017 £	2016 £
Carrying amount of financial assets				
Debt instruments measured at amortised cost	550,640	408,464	-	-
Equity instruments measured at cost less impairment	600,525	387,510	-	-
	<u>600,525</u>	<u>387,510</u>	<u>-</u>	<u>-</u>
Carrying amount of financial liabilities				
Measured at amortised cost	2,073,423	1,529,529	-	-
	<u>2,073,423</u>	<u>1,529,529</u>	<u>-</u>	<u>-</u>

22 Provisions for liabilities

	Notes	Group 2017 £	2016 £	Company 2017 £	2016 £
Provision for dilapidations		103,278	58,000	-	-
Provision for onerous leases		108,940	162,053	-	-
		<u>212,218</u>	<u>220,053</u>	<u>-</u>	<u>-</u>
Deferred tax liabilities	23	43,488	45,960	-	-
		<u>255,706</u>	<u>266,013</u>	<u>-</u>	<u>-</u>

Movements on provisions apart from deferred tax liabilities:

Group	Provision for dilapidations £	Provision for onerous leases £	Total £
At 1 June 2016	58,000	162,053	220,053
Additional provisions in the year	45,278	-	45,278
Utilisation of provision	-	(53,113)	(53,113)
	<u>103,278</u>	<u>108,940</u>	<u>212,218</u>
At 31 May 2017	103,278	108,940	212,218

A provision has been made for the expected costs to be incurred on the expiry of property leases.

A provision is recognised for the expected future costs of meeting obligations arising from onerous leases, discounted to present value.

EDINBURGH SOLICITORS' PROPERTY CENTRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2017

23 Deferred taxation

The major deferred tax liabilities and assets recognised by the group and company are:

	Liabilities 2017 £	Liabilities 2016 £	Assets 2017 £	Assets 2016 £
Group				
Accelerated capital allowances	43,488	45,960	-	-
Short term timing differences	-	-	26,510	25,348
	<u>43,488</u>	<u>45,960</u>	<u>26,510</u>	<u>25,348</u>

	Group 2017 £	Company 2017 £
Movements in the year:		
Liability at 1 June 2016	20,612	-
Credit to profit or loss	(2,509)	-
Effect of change in tax rate - profit or loss	(1,125)	-
Liability at 31 May 2017	<u>16,978</u>	<u>-</u>

The deferred tax asset of £26,510 (2016: £25,348) is expected to reverse within 12 months and relates to changes in the company's pension and holiday pay accruals.

The deferred tax liability of £43,488 (2016: £45,960) relates to accelerated capital allowances, of which £2,115 is expected to reverse within 12 months.

24 Retirement benefit schemes

	2017 £	2016 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>138,720</u>	<u>118,475</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

EDINBURGH SOLICITORS' PROPERTY CENTRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2017

25 Cash generated from group operations

	2017 £	2016 £
(Loss)/profit for the year after tax	(116,954)	783,685
Adjustments for:		
Share of results of associates and joint ventures	136,985	60,984
Taxation charged	39,599	171,842
Finance costs	-	707
Investment income	(29,726)	(20,883)
(Gain)/loss on disposal of tangible fixed assets	(26,963)	9,319
Amortisation and impairment of intangible assets	91,694	33,411
Depreciation and impairment of tangible fixed assets	113,433	93,389
(Decrease) in provisions	(7,835)	(140,091)
Movements in working capital:		
Decrease/(increase) in stocks	159	(159)
Decrease/(increase) in debtors	55,732	(66,005)
(Decrease) in creditors	(143,699)	(80,833)
Cash generated from operations	112,425	845,366

26 Operating lease commitments

Lessee

The company uses operating leases for properties.

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2017 £	2016 £	Company 2017 £	2016 £
Within one year	386,966	365,031	-	-
Between one and five years	1,025,310	1,327,977	-	-
In over five years	573,333	530,333	-	-
	<u>1,985,609</u>	<u>2,223,341</u>	<u>-</u>	<u>-</u>

EDINBURGH SOLICITORS' PROPERTY CENTRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2017

27 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel of the group, is as follows.

	2017 £	2016 £
Aggregate compensation	284,831	242,344

Transactions with related parties

During the year the group entered into the following transactions with related parties:

	Purchase of goods	
	2017 £	2016 £
Group		
Entities over which the group has control, joint control or significant influence	44,235	40,952

	Recharged expenses		Loans made to	
	2017 £	2016 £	2017 £	2016 £
Group				
Entities over which the entity has control, joint control or significant influence	172,084	94,090	200,000	-

The following amounts were outstanding at the reporting end date:

	Amounts owed by related parties	
	2017	Balance £
Group		
Entities over which the group has control, joint control or significant influence		270,732