

Fitzalan Partners Ltd

Annual report and financial statements

Registered number 07314708

31 December 2017

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Company information

Company registration number	07314708
Registered office	1430 Montagu Court Kettering Parkway Kettering Northamptonshire NN15 6XR
Directors	JR Atkinson S Dolton (resigned 1 January 2018) RG Rickwood JD Saralis (appointed 1 January 2018)
Secretary	JD Saralis (appointed 1 January 2018)
Bankers	Yorkshire Bank plc Birmingham Financial Solutions Centre Temple Point No.1 Temple Row Birmingham B2 5YB
Solicitors	E M W Law LLP Seebeck House 1 Seebeck Place Knowlhill Milton Keynes MK5 8FR
Auditors	KPMG LLP Altius House One North Fourth Street Milton Keynes MK9 1NE

Strategic report

Principal activities

The company is principally engaged in the provision of online marketing services for home buyers and sellers in England and Wales, on behalf of law firms and surveyors; providing access to providers of local authority and environmental searches.

Trading results

The directors are satisfied the performance of the company for year ended 31 December 2017. Operating profit for the year is £649,000 (year ended 31 December 2016: £603,000). The directors are also satisfied with the balance sheet position at the year end, and consider that this will be maintained.

Dividends

During the year, the company paid dividends totalling £nil (2016:£nil).

Principal risks and uncertainties

The directors have the ultimate responsibility for setting the company's risk appetite and for effective management of risk. Management of risk and review of key risks is performed when appropriate. The directors consider that the company does not currently face significant business or other risks and uncertainties over the short term. As part of our normal management process, we prepare detailed projections of future trading, which, include the impact for possible changes in market or regulatory conditions. Based on these projections we remain positive about the company's short and longer term prospects.

Key performance indicators

The company maintains a strict control over the key indicators for the business, measuring and reporting internally on the appropriate KPIs to ensure safeguarding of the shareholder's investment and customer satisfaction. Included in these KPIs is a review of turnover, and gross and operating profit against budget and rolling forecasts; other KPIs are more business specific.

It is also important to ensure that high quality personnel are retained in the business. The company operates a company wide appraisal programme for its entire staff.

By order of the board



J D Saralis
Director

19 March 2018

1430 Montagu Court
Kettering Parkway
Kettering
Northants
NN15 6XR

Directors' report

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

Directors

The directors who held office during the year were as follows:

JR Atkinson
S Dolton (resigned 1 January 2018)
RG Rickwood

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Other information

An indication of likely future developments in the business and particulars of significant events which have occurred since the end of the financial year have been included in the notes to the financial statements.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board



J D Saralis
Director

19 March 2018

1430 Montagu Court
Kettering Parkway
Kettering
Northants
NN15 6XR

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK 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 judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FITZALAN PARTNERS LTD

Opinion

We have audited the financial statements of Fitzalan Partners Limited ("the company") for the year ended 31 December 2017 which comprise the profit and loss account, balance sheet, 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 December 2017 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 report and directors' report

The directors are responsible for the strategic report and the directors' report. 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 report and the directors' report 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 report and the directors' report;
- 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.

We have nothing to report in these respects.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FITZALAN PARTNERS LTD

Directors' responsibilities

As explained more fully in their statement set out on page 6, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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.

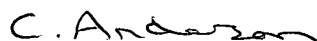
Auditor's responsibilities

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.

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.



Charlotte Anderson (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

Altius House
One North Fourth Street
Milton Keynes
MK9 1NE
19 March 2018

Profit and Loss Account
for the year ended 31 December 2017

	<i>Note</i>	Year ended 31 December 2017 £'000	Year ended 31 December 2016 £'000
Turnover	<i>1</i>	3,166	4,052
Cost of sales		(879)	(1,541)
Gross profit		2,287	2,511
Administration expenses		(1,638)	(1,838)
One off items		-	(70)
Operating profit	<i>2-4</i>	649	603
Profit on ordinary activities before taxation		649	603
Tax on profit on ordinary activities	<i>5</i>	(15)	(21)
Profit for the period	<i>18</i>	634	582

All results reported above arise from continuing operations.

The notes on pages 12 to 22 form part of these financial statements.

Balance Sheet
at 31 December 2017

	<i>Note</i>	December 2017 £000	December 2017 £000	December 2016 £000	December 2016 £000
Fixed assets					
Goodwill	6	40		40	
Investments	7	2,080		2,080	
Intangible assets	8	228		145	
Tangible assets	9	44		66	
			2,392		2,331
Current assets					
Debtors	10	794		297	
Cash at bank and in hand		82		169	
		876		466	
Creditors: amounts falling due within one year	11	(1,196)		(1,359)	
Net current liabilities			(320)		(893)
Total assets less current liabilities			2,072		1,438
Net assets			2,072		1,438
Capital and reserves					
Called up share capital	17		1		1
Profit and loss account	18		2,071		1,437
Shareholders' funds	19		2,072		1,438

The notes on pages 12 to 22 form part of these financial statements.

These financial statements were approved by the board of directors on 19 March 2018 and were signed on its behalf by:



J R Atkinson
Director

Registered number: 07314708

Statement of Changes in Equity

	Share Capital	Retained Earnings	Total equity
	£000	£000	£000
Balance at 31 December 2015	1	855	856
Total comprehensive income for the period			
Profit for the year	-	582	582
Total comprehensive income	-	582	582
Balance at 31 December 2016	1	1,437	1,438
Total comprehensive income for the period			
Profit for the year	-	634	634
Total comprehensive income	-	634	634
Balance at 31 December 2017	1	2,071	2,072

The notes on pages 12 to 22 form part of these financial statements.

Notes

(forming part of the financial statements)

1 Accounting policies

Fitzalan Partners Ltd (the "Company") is a private company registered, incorporated and domiciled in the UK.

The registered number is 07314708 and the registered address is 1430 Montagu Court, Kettering Parkway, Kettering, Northamptonshire, NN15 6XR.

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 Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

The Company's ultimate parent undertaking, NAHL Group plc includes the Company in its consolidated financial statements. The consolidated financial statements of NAHL Group plc are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from the corporate website (www.nahlgroupplc.co.uk) or from the address below:

NAHL Group plc
1430 Montagu Court
Kettering Parkway
Kettering
Northants
NN15 6XR

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash Flow Statement and related notes;
- Disclosures in respect of capital management;
- Comparative period reconciliations for share capital, tangible fixed assets and intangible assets
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel;
- Disclosures in respect of transactions with wholly owned subsidiaries.

As the consolidated financial statements of NAHL Group plc include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- IFRS 2 Share Based Payments in respect of group settled share based payments
- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures
- Certain disclosures required by IFRS 3 Business Combinations in respect of business combinations undertaken by the Company in the current and prior periods including the comparative period reconciliation for goodwill

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Notes (continued)

1 Accounting policies (continued)

1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

1.2 Going concern

The company has a positive cash balance at the year end. After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. As a consequence, the directors believe that the company is well placed to manage its business risks successfully. As part of normal management process detailed projections of future trading are prepared, which include sensitivity analysis for possible changes in market or regulatory conditions. Based on these projections the Board remain positive about the company's short and longer term prospects. Accordingly, the directors continue to adopt the going concern basis in preparing the directors' report and financial statements.

1.3 Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other debtors, cash and cash equivalents, loans and borrowings, and trade and other creditors.

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 losses.

Trade and other creditors

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

1.4 Goodwill

Goodwill represents the excess of fair value of the consideration given over the fair value of the company's share of the net identifiable assets of the acquired entity at the date of acquisition. Goodwill is not amortised but is tested for impairment annually and again whenever indicators of impairment are detected and is carried at cost less any provision for impairment. Any impairment is recognised in the profit and loss account.

1.5 Tangible fixed assets

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

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets.

Leases in which the Company assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. The estimated useful lives are as follows:

- Computer equipment 3 years
- Fixtures and fittings 3 years

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

Notes (continued)

1.6 Intangible assets

Other intangible assets

Expenditure on internally generated brands is recognised in the profit and loss account as an expense as incurred.

Other intangible assets that are acquired by the Company are stated at cost less accumulated amortisation and less accumulated impairment losses.

The cost of an intangible asset acquired in a business combination is its fair value at the acquisition date.

Amortisation

Amortisation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Intangible assets with an indefinite useful life and goodwill are systematically tested for impairment at each balance sheet date. Other intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

Brands	3 years
Other intangibles	3 years

1.7 Turnover

Turnover is recognised in the period to which it relates. The company receives income from Conveyancing, Surveys and Searches. All turnover is stated net of Value Added Tax. The entire turnover arose in the United Kingdom.

1.8 Expenses

Operating lease payments

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease. Lease incentives received are recognised in the profit and loss account as an integral part of the total lease expense.

Interest receivable and interest payable

Interest payable and similar charges include interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method. Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial time to be prepared for use, are capitalised as part of the cost of that asset. Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method.

1.9 Taxation

Tax on the profit or loss for the year comprises current and deferred tax.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

Notes (continued)

2 Operating profit

Operating profit is stated after charging:

	2017 £000	2016 £000
Depreciation of fixed assets	41	38
Amortisation of intangible assets	88	107
Operating leases – land and buildings	150	118
Audit fees	18	18
	<u> </u>	<u> </u>

3 Directors' remuneration

The directors received £194,713 emoluments in respect of their services to the company (2016: £153,507). 2 Directors were paid by NAHL Group plc. The notional allocation of the cost to the company for their services was £17,000 (2016: £17,000).

4 Staff numbers and costs

The average number of persons employed by the Company (including directors) during the year, analysed by category, was as follows:

	Number of employees 2017	2016
Directors	3	3
Other	22	26
	<u> </u>	<u> </u>
	25	29
	<u> </u>	<u> </u>

The aggregate payroll costs of these persons were as follows:

	2017 £000	2016 £000
Wages and salaries	1,109	1,105
Social security costs	129	116
Pension costs	9	3
	<u> </u>	<u> </u>
	1,247	1,224
	<u> </u>	<u> </u>

Notes (continued)

5 Taxation

Recognised in the profit and loss account

Analysis of charge for the year

	2017 £'000	2016 £'000
<i>UK corporation tax</i>		
Current tax on income for the year	132	155
Adjustments in respect of prior periods	(112)	(127)
Total current tax	20	28
<i>Deferred tax</i>		
Origination/reversal of timing differences	(5)	(7)
Total deferred tax	-	(7)
Tax on profit on ordinary activities	15	21

Factors affecting the tax charge for the current year

The current tax charge for the period is lower (2016: lower) than the standard rate of corporation tax in the UK of 19.25% (2016: 20.00%). The differences are explained below:

	2017 £'000	2016 £'000
Profit for the year	634	582
Total tax expense	15	21
Profit before taxation	649	603
Tax using the UK corporation tax rate of 19.25% (2016: 20.00%)	125	121
Expenses not deductible for tax purposes	3	27
Depreciation for period in excess of capital allowances	4	-
Adjustments in respect of prior periods	(112)	(127)
Changes in deferred tax provisions	(5)	-
Total tax expense	15	21

A reduction in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) was substantively enacted on 26 October 2015. A further reduction to 18% (effective 1 April 2020) was substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly. The deferred tax liability at 31 December 2017 has been calculated based on these rates.

Notes (continued)

6 Goodwill

	£000
Cost	
At 31 December 2016 and 31 December 2017	<u>40</u>
Impairment	
At 31 December 2016 and 31 December 2017	<u>-</u>
Net book value	
At 31 December 2016 and 31 December 2017	<u>40</u>

The goodwill arose on the acquisition of Best Value Conveyancing (BVC) and is tested for impairment annually. The recoverable amount of Goodwill is based on value in use which is calculated on the cash flows expected to be generated by the BVC website. Cashflows are based on the latest budgeted data for the coming year extrapolated at an annual growth rate and discounted for the time value of money.

7 Investments

Acquisition of Searches UK Limited

	Interests in subsidiary undertakings £000
Cost	
At 31 December 2016 and 31 December 2017	<u>2,080</u>
Amortisation	
At 31 December 2016 and 31 December 2017	<u>-</u>
Net book value	
At 31 December 2016 and 31 December 2017	<u>2,080</u>

The company's subsidiary undertakings are as follows:

Company	Country of Registration	Principal activity	Ownership	Holding
Searches UK Limited	United Kingdom	Conveyancing and search provider	100%	Direct
Inside Eye Limited	United Kingdom	Dormant	100%	Indirect

The registered office of the all of the above subsidiaries is 1430 Montagu Court, Kettering Parkway, Kettering Venture Park, Kettering, Northants, NN15 6XR.

8 Intangible assets

	Brands £000	Other £000	Assets under construction £000	Total £000
Cost				
Balance at 31 December 2016	174	70	20	264
Additions	-	112	59	171
Balance at 31 December 2017	174	182	79	435
Amortisation and impairment				
Balance at 31 December 2016	95	24	-	119
Amortisation charge for the period	58	30	-	88
Balance at 31 December 2017	153	54	-	207
Net book value				
At 31 December 2016	79	46	20	145
At 31 December 2017	21	128	79	228

9 Tangible fixed assets

	Computer equipment £000	Fixtures & fittings £000	Total £000
Cost			
Balance at 31 December 2016	53	62	115
Additions	-	19	19
Balance at 31 December 2017	53	81	134
Depreciation and impairment			
Balance at 31 December 2016	23	26	49
Depreciation charge for the period	18	23	41
Balance at 31 December 2017	41	49	90
Net book value			
At 31 December 2016	30	36	66
At 31 December 2017	12	32	44

Notes (continued)

10 Debtors: amounts falling due within one year

	2017 £000	2016 £000
Trade debtors	119	12
Amounts due from group undertakings	600	212
Prepayments and accrued income	75	73
	<u>794</u>	<u>297</u>

11 Creditors: amounts falling due within one year

	2017 £000	2016 £000
Trade creditors	77	94
Amounts owed to group undertakings	768	821
Corporation tax	132	155
Deferred taxation (<i>see note 12</i>)	48	53
Taxation and social security	101	104
Accruals and deferred income	70	132
	<u>1,196</u>	<u>1,359</u>

12 Deferred taxation

	2017 £'000	2016 £'000
Liability at beginning of the period	53	60
Profit and loss account movement during the period	(5)	(7)
	<u>48</u>	<u>53</u>

The deferred taxation liability consists of the tax effect of timing differences in respect of:

	2017 £'000	2016 £'000
Short term timing differences	8	13
Deferred tax liability acquired	40	40
	<u>48</u>	<u>53</u>

The deferred tax liability at 31 December 2017 has been calculated on the rates of 19% substantively enacted at the balance sheet date.

Notes (continued)

13 Financial instruments

The Company has taken an exemption from the requirement to prepare a financial instruments note on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements. The amounts owed by group undertakings have not been included within the consolidated financial statements and have been considered below.

Amounts owed by group undertakings

The fair value of amounts owed by group undertakings are estimated as the present value of future cash flows, discounted at the market rate of interest at the balance sheet date if the effect is material.

Management believe there are no risks arising from these financial instruments on the grounds that the amounts are payable on demand and no interest is charged to group undertakings. The Board reviews and agrees policies for managing these risks. There have been no substantive changes in the Company's exposure to financial instrument risks or its objectives, policies and processes for managing and measuring those risks during the periods in this report unless otherwise stated.

	Fair Value Hierarchy	Carrying amount 2017 £000	Fair value 2017 £000	Carrying amount 2016 £000	Fair value 2016 £000
Amounts due from Group undertakings	3	273	273	212	212
Total financial assets		273	273	212	212
Amounts owed to Group undertakings	3	598	598	821	821
Total financial liabilities measured at amortised cost		598	598	821	821

Fair value hierarchy

IFRS 7 requires fair value measurements to be recognised using a fair value hierarchy that reflects the significance of the inputs used in the value measurements:

Level 1 – inputs are quoted prices in active markets

Level 2 – a valuation that uses observable inputs for the asset or liability other than quoted prices in active markets

Level 3 – a valuation using unobservable inputs, i.e. a valuation technique.

There were no transfers between levels throughout the periods under review.

14 Operating leases

Non-cancellable operating lease rentals are payable as follows:

	2017 £000	2016 £000
Within one year	151	151
Within two to five years	226	377
	377	528

The Company leases an office building under operating lease. During the period £150,000 was recognised as an expense in the profit and loss account in respect of operating leases (2016: £118,000).

Notes (continued)

15 Capital commitments

The company had no capital commitments at either 31 December 2017 or 31 December 2016.

16 Contingent liabilities

There were no contingent liabilities requiring disclosure at either 31 December 2017 or 31 December 2016.

17 Share capital

Authorised:

	2017		2016	
	No.	£000	No.	£000
725 Ordinary shares of £1 each	725	1	725	1
	<u>725</u>	<u>1</u>	<u>725</u>	<u>1</u>

All classes of ordinary share carry equal rights over dividends, capital distribution and voting.

Allotted, called up and fully paid:

	2017		2016	
	No.	£000	No.	£000
Ordinary shares of £1 each	725	1	725	1
	<u>725</u>	<u>1</u>	<u>725</u>	<u>1</u>

18 Profit and loss account

	2017	2016
	£'000	£'000
Balance brought forward	1,437	855
Profit for the year	634	582
Balance carried forward	<u>2,071</u>	<u>1,437</u>

19 Reconciliation of movements in shareholder's funds

	2017	2016
	£'000	£'000
Profit for the year	634	582
Net increase in shareholder's funds	634	582
Opening shareholder's funds	1,438	856
Closing shareholder's funds	<u>2,072</u>	<u>1,438</u>

Notes (continued)

20 Related parties

As all of the Company's voting rights are controlled within the group headed by NAHL Group plc, the Company has taken advantage of the exemption contained in FRS 101 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of NAHL Group plc, within which this Company is included, can be obtained from the address given in note 21.

21 Ultimate parent company and parent company of larger group

The Company is a subsidiary undertaking of NAHL Group plc which is the ultimate parent company incorporated in the United Kingdom.

The smallest and largest group in which the results of the Company is consolidated is that headed by NAHL Group plc, incorporated in the United Kingdom. No other group financial statements include the results of the Company. The consolidated financial statements are available to the public from the corporate website (www.nahlgroupplc.co.uk) or from the address below:

NAHL Group plc
1430 Montagu Court
Kettering Parkway
Kettering
Northants
NN15 6XR