

Registration number 00012255

HMG Properties Limited
Directors' report and financial statements
for the year ended 31st August 2015

Parker Gradwell & Co.
Chartered Accountants & Statutory Auditor
17 Chapel Street, Hyde, Cheshire, SK14 1LF

WEDNESDAY



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COMPANIES HOUSE

HMG Properties Limited

Company information

Directors	N.P. Casson C.H.H. Murray W.J.H. Murray
Secretary	C. Hall
Company number	00012255
Auditors	Parker Gradwell & Co. 17 Chapel Street Hyde Cheshire SK14 1LF

HMG Properties Limited

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HMG Properties Limited
Directors' report
for the year ended 31st August 2015

The directors present their report and the financial statements for the year ended 31st August 2015.

Principal activity and review of the business

The principal activity of the company is property investment.

Directors

The directors who served during the year are as stated below:

N.P. Casson
C.H.H. Murray
W.J.H. Murray (Appointed 25/11/14)
I.C. Thomas (Retired 30/11/14)

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year.

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

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

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

Each of the persons who is a director at the date of approval of this report confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditors

Parker Gradwell & Co. are deemed to be reappointed in accordance with Section 487(2) of the Companies Act 2006.

HMG Properties Limited

**Directors' report
for the year ended 31st August 2015**

..... continued

This report is prepared in accordance with the special provisions of part 15 of the Companies Act 2006 relating to small companies.

This report was approved by the Board on 4th November 2015 and signed on its behalf by

C Hall

**C. Hall
Secretary**

Independent auditor's report to the shareholders of HMG Properties Limited

We have audited the financial statements of HMG Properties Limited for the year ended 31st August 2015 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (Effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 1 - 2, 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' report and financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31st August 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006.

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

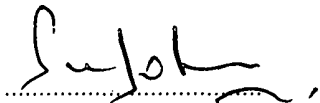
**Independent auditor's report to the shareholders of
HMG Properties Limited**

.....continued

Matters on which we are required to report by exception

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

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



**S.W. Johnson (senior statutory auditor)
For and on behalf of Parker Gradwell & Co.
Chartered Accountants and
Statutory Auditor
4th November 2015**

**17 Chapel Street
Hyde
Cheshire
SK14 1LF**

HMG Properties Limited

Profit and loss account for the year ended 31st August 2015

		2015	2014
	Notes	£	£
Turnover	2	97,643	93,018
Cost of sales		(74,119)	(63,816)
Gross profit		23,524	29,202
Administrative expenses		(1,134)	(253)
Operating profit	3	22,390	28,949
Other interest receivable and similar income		30	37
Profit on ordinary activities before taxation		22,420	28,986
Tax on profit on ordinary activities	5	(4,484)	(5,675)
Profit for the year	11	17,936	23,311
Retained profit brought forward		3,645,075	3,645,075
Reserve Movements		(17,936)	(23,311)
Retained profit carried forward		3,645,075	3,645,075
Statement of total recognised gains and losses			
Profit on ordinary activities after taxation		17,936	23,311
Unrealised movement on revaluation of investment property		55,000	-
Total recognised gains since last annual report		72,936	23,311

The notes on pages 7 to 11 form an integral part of these financial statements.

HMG Properties Limited

Balance sheet as at 31st August 2015

		2015		2014	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	7		2,630,000		2,575,000
Current assets					
Debtors	8	3,035,745		3,038,018	
		<u>3,035,745</u>		<u>3,038,018</u>	
Creditors: amounts falling due within one year	9	(17,754)		(20,027)	
Net current assets			<u>3,017,991</u>		<u>3,017,991</u>
Total assets less current liabilities			5,647,991		5,592,991
Net assets			<u>5,647,991</u>		<u>5,592,991</u>
Capital and reserves					
Called up share capital	10		73,050		73,050
Other reserves	11		1,929,866		1,874,866
Profit and loss account	11		3,645,075		3,645,075
Shareholders' funds			<u>5,647,991</u>		<u>5,592,991</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 and the Financial Reporting Standard for Smaller Entities (effective April 2008) relating to small companies.

These accounts were approved by the directors on 4th November 2015, and are signed on their behalf by:

N.P. Casson
Director



Registration number 00012255

The notes on pages 7 to 11 form an integral part of these financial statements.

HMG Properties Limited

Notes to the financial statements for the year ended 31st August 2015

1. Accounting policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of certain fixed assets and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

1.2. Turnover

Turnover represents the rental income, excluding value added tax, for the year and derives from the provision of goods falling within the company's ordinary activities, in accordance with UITF28 and premiums received from tenants. However amounts invoiced in advance relating to the next accounting year are included in accruals as deferred income.

1.3. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost or valuation less residual value of each asset over its expected useful life, as follows:

Land and buildings	-	Not depreciated
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1.4. Investment properties

In accordance with SSAP 19 investment properties are revalued annually and the aggregate surplus or temporary deficit is transferred to a property revaluation reserve. No depreciation or amortisation is provided in respect of freehold properties. Any permanent diminutions in value below cost are charged in the profit and loss account. This treatment is a departure from the requirement of the Companies Act concerning the depreciation of fixed assets. The directors consider that as these properties are not held for consumption but for investment, to depreciate them would not give a true and fair view and that it is necessary to adopt SSAP 19 for the accounts to give a true and fair view. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified. The revaluation was carried out at the year end by Lambert Smith Hampton.

Acquisitions and disposals of properties are recognised on the date of exchange of contracts for the purchase or sale, provided there is certainty at the balance sheet date that completion will take place. If completion is subject to a contingent event the purchase or sale is recognised on the date that the contingent event occurred.

1.5. Deferred taxation

A net deferred tax asset is regarded as recoverable and therefore recognised only when it can be regarded as more likely than not that there will be sufficient taxable profits from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates which are expected to apply in the years in which the timing differences are expected to reverse, based on tax rates and laws which have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

HMG Properties Limited

Notes to the financial statements for the year ended 31st August 2015

..... continued

2. Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK.

3. Operating profit

	2015 £	2014 £
Operating profit is stated after charging:		
Auditor's remuneration (Note 4)	240	240

4. Auditor's remuneration

	2015 £	2014 £
Auditor's remuneration - audit of the financial statements	240	240

5. Tax on profit on ordinary activities

Analysis of charge in period	2015 £	2014 £
Current tax		
UK corporation tax	4,484	5,797
Adjustments in respect of previous periods	-	(122)
	4,484	5,675

Factors affecting tax charge for period

The tax assessed for the period is differs from the standard rate of corporation tax in the UK (20.00 per cent). The differences are explained below:

	2015 £	2014 £
Profit on ordinary activities before taxation	22,420	28,986
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.00% (31st August 2014 : 20.00%)	4,484	5,797
Effects of:		
Adjustments to tax charge in respect of previous periods	-	(122)
Current tax charge for period	4,484	5,675

HMG Properties Limited

Notes to the financial statements
for the year ended 31st August 2015

..... continued

6. Dividends

Dividends paid and proposed on equity shares

	2015	2014
	£	£
Paid during the year:		
Equity dividends on Ordinary shares	17,936	23,311
	<u>17,936</u>	<u>23,311</u>

7. Tangible fixed assets

	Land and buildings freehold	Total
	£	£
Cost or valuation		
At 1st September 2014	2,575,000	2,575,000
Revaluation	55,000	55,000
At 31st August 2015	<u>2,630,000</u>	<u>2,630,000</u>
Net book values		
At 31st August 2015	<u>2,630,000</u>	<u>2,630,000</u>
At 31st August 2014	<u>2,575,000</u>	<u>2,575,000</u>

8. Debtors

	2015	2014
	£	£
Trade debtors	5,781	-
Amounts owed by group undertakings	3,026,604	3,034,983
Prepayments and accrued income	3,360	3,035
	<u>3,035,745</u>	<u>3,038,018</u>

HMG Properties Limited

Notes to the financial statements for the year ended 31st August 2015

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9.	Creditors: amounts falling due within one year	2015 £	2014 £	
	Payments received on account	12,125	11,916	
	Trade creditors	3,387	8,111	
	Corporation tax	2,242	-	
		<u>17,754</u>	<u>20,027</u>	
10.	Share capital	2015 £	2014 £	
	Authorised			
	73,055 Ordinary shares of £1 each	73,055	73,055	
	540 4.2% Cumulative Preference shares of £50 each	27,000	27,000	
		<u>100,055</u>	<u>100,055</u>	
	Allotted, called up and fully paid			
	52,100 Ordinary shares of £1 each	52,100	52,100	
	419 4.2% Cumulative Preference shares of £50 each	20,950	20,950	
		<u>73,050</u>	<u>73,050</u>	
	Equity Shares			
	52,100 Ordinary shares of £1 each	52,100	52,100	
	419 4.2% Cumulative Preference shares of £50 each	20,950	20,950	
		<u>73,050</u>	<u>73,050</u>	
11.	Reserves	Profit and loss account £	Investment property reserve £	Total £
	At 1st September 2014	3,645,075	1,874,866	5,519,941
	Revaluation of property		55,000	55,000
	Profit for the year	17,936		17,936
	Equity Dividends	(17,936)		(17,936)
	At 31st August 2015	<u>3,645,075</u>	<u>1,929,866</u>	<u>5,574,941</u>

HMG Properties Limited

Notes to the financial statements for the year ended 31st August 2015

..... continued

12. Contingent liabilities

The company has given a guarantee in respect of its fellow subsidiary company HMG Investments Limited to the Santander UK PLC for a bank loan of £42,462,500 (2014 Santander UK PLC - £43,412,500).

13. Related party transactions

Using the exemption available to subsidiary companies, related party transactions with Group Companies have not been disclosed.

14. Ultimate parent undertaking

The company is a subsidiary of HMG Investment Holdings Limited and the ultimate holding company is The Hollins Murray Group Limited. Both companies are incorporated in England and Wales.

HMG Properties Limited

The following page does not form part of the statutory accounts.

HMG Properties Limited

Detailed trading profit and loss account and expenses schedule for the year ended 31st August 2015

	2015		2014	
	£	£	£	£
Sales				
Rent receivable		97,643		93,018
		<u>97,643</u>		<u>93,018</u>
Cost of sales				
Agents commissions payable	11,237		15,386	
Sundry expenses	720		78	
Window cleaning	975		960	
Common parts cleaning	1,900		2,628	
Security patrols	-		1,068	
Garden upkeep	5,118		3,300	
Light, heat and power	954		1,393	
Chief rent payable	20		20	
General and water rates	629		70	
Repairs and renewals	46,120		33,748	
Insurance	6,396		5,165	
Legal and professional fees	50		-	
	<u>74,119</u>		<u>63,816</u>	
		(74,119)		(63,816)
Gross profit	24%	23,524	31%	29,202
Administrative expenses				
Management expenses	881		-	
Audit	240		240	
General expenses	13		13	
	<u>1,134</u>		<u>253</u>	
Operating profit	23%	22,390	31%	28,949
 Other interest	 30		 37	
		30		37
Net profit for the year		<u>22,420</u>		<u>28,986</u>