

Company registration number: 00012255

HMG Properties Limited

Financial statements

31st August 2016

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# HMG Properties Limited

## Balance sheet 31st August 2016

	Note	2016 £	£	2015 £	£
<b>Fixed assets</b>					
Tangible assets	4	2,700,000		2,630,000	
			2,700,000		2,630,000
<b>Current assets</b>					
Debtors	5	3,035,594		3,035,745	
		3,035,594		3,035,745	
<b>Creditors: amounts falling due within one year</b>	6	(17,551)		(17,754)	
<b>Net current assets</b>			3,018,043		3,017,991
<b>Total assets less current liabilities</b>			5,718,043		5,647,991
<b>Provisions for liabilities</b>	8		(264,931)		(282,272)
<b>Net assets</b>			5,453,112		5,365,719
<b>Capital and reserves</b>					
Called up share capital	9		73,050		73,050
Non distributable reserve	10		1,734,935		1,647,594
Profit and loss account	10		3,645,127		3,645,075
<b>Shareholders' funds</b>			5,453,112		5,365,719

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

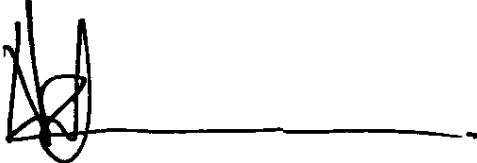
The profit and loss account and directors' report have not been delivered to the Registrar of Companies in accordance with the provisions applicable to companies subject to the small companies' regime.

The notes on pages 4 to 9 form part of these financial statements.

**HMG Properties Limited**

**Balance sheet (continued)**  
**31st August 2016**

These financial statements were approved by the board of directors and authorised for issue on 11th November 2016, and are signed on behalf of the board by:

A handwritten signature in black ink, consisting of a stylized 'N' and 'P' followed by a horizontal line.

N.P. Casson  
Director

Company registration number: 00012255

**The notes on pages 4 to 9 form part of these financial statements.**

# HMG Properties Limited

## Statement of changes in equity Year ended 31st August 2016

	Called up share capital £	Non distributable reserve £	Profit and loss account £	Total £
<b>At 1st September 2014</b>	73,050	1,588,824	3,645,075	5,306,949
Profit for the year			76,706	76,706
Other comprehensive income for the year:				
Transfer on revaluation to non distributable reserve	-	58,770	(58,770)	-
<b>Total comprehensive income for the year</b>	-	58,770	17,936	76,706
Dividends paid			(17,936)	(17,936)
<b>Total investments by and distributions to owners</b>	-	-	(17,936)	(17,936)
<b>At 31st August 2015 and 1st September 2015</b>	73,050	1,647,594	3,645,075	5,365,719
Profit for the year			142,474	142,474
Other comprehensive income for the year:				
Transfer on revaluation to non distributable reserve	-	87,341	(87,341)	-
<b>Total comprehensive income for the year</b>	-	87,341	55,133	142,474
Dividends paid			(55,081)	(55,081)
<b>Total investments by and distributions to owners</b>	-	-	(55,081)	(55,081)
<b>At 31st August 2016</b>	73,050	1,734,935	3,645,127	5,453,112

## **HMG Properties Limited**

### **Notes to the financial statements Year ended 31st August 2016**

#### **1. Statement of compliance**

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

#### **2. Accounting policies**

##### **Basis of preparation**

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

##### **Transition to FRS 102**

The entity transitioned from previous UK GAAP to FRS 102 as at 1st September 2014. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 13.

##### **Turnover**

Turnover is measured at the fair value of the consideration received or receivable for services rendered, net of discounts and Value Added Tax.

Turnover represents rental income for the year excluding VAT together with premiums received from tenants. Amounts invoiced in advance relating to the next accounting period are included in accruals as deferred income.

##### **Exceptional items**

Exceptional items are disclosed separately in the financial statements in order to provide further understanding of the financial performance of the entity. They are material items of income or expense that have been shown separately because of their nature or amount.

##### **Taxation**

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in capital and reserves. In this case, tax is recognised in other comprehensive income or directly in capital and reserves, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

##### **Investment property**

Investment property is measured initially at cost, which includes purchase price and any directly attributable expenditure. Investment property is revalued to its fair value at each reporting date and any changes in fair value are recognised in the profit and loss account.

## HMG Properties Limited

### Notes to the financial statements (continued) Year ended 31st August 2016

#### Impairment

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

When it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

#### Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event; it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the Balance sheet and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised in finance costs in profit or loss in the period it arises.

### 3. Dividends

#### Equity dividends

	2016 £	2015 £
Dividends paid during the year (excluding those for which a liability existed at the end of the prior year)	55,081	17,936

### 4. Tangible assets

	Freehold investment property £	Total £
<b>Cost or valuation</b>		
At 1st September 2015	2,630,000	2,630,000
Revaluation	70,000	70,000
<b>At 31st August 2016</b>	<b>2,700,000</b>	<b>2,700,000</b>
<b>Depreciation</b>		
At 1st September 2015 and 31st August 2016	-	-
<b>Carrying amount</b>		
At 31st August 2016	2,700,000	2,700,000
At 31st August 2015	2,630,000	2,630,000

# HMG Properties Limited

## Notes to the financial statements (continued) Year ended 31st August 2016

### Investment property

Included within the above is investment property as follows:

	£
At 1st September 2015	2,630,000
Revaluation	70,000
<b>At 31st August 2016</b>	<b>2,700,000</b>

The properties were revalued by Lambert Smith Hampton in August 2016.

These valuations have been prepared on the basis of Open Market Value in accordance with the Appraisal and Valuation Manual of The Royal Institution of Chartered Surveyors.

### 5. Debtors

	2016 £	2015 £
Trade debtors	2,810	5,781
Amounts owed by group undertakings	3,029,059	3,026,604
Prepayments and accrued income	3,725	3,360
	<u>3,035,594</u>	<u>3,035,745</u>

### 6. Creditors: amounts falling due within one year

	2016 £	2015 £
Payments received on account	5,330	12,125
Trade creditors	3,929	3,387
Corporation tax	6,885	2,242
Other creditors	1,407	-
	<u>17,551</u>	<u>17,754</u>

### 7. Deferred tax

The deferred tax included in the Balance sheet is as follows:

	2016 £	2015 £
Included in provisions (note 8)	<u>264,931</u>	<u>282,272</u>

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

	2016 £	2015 £
Revaluation of investment property	<u>264,931</u>	<u>282,272</u>

# HMG Properties Limited

## Notes to the financial statements (continued) Year ended 31st August 2016

### 8. Provisions

	Deferred tax (note 7)	Total
	£	£
At 1st September 2015	282,272	282,272
Charges against provisions	(17,341)	(17,341)
<b>At 31st August 2016</b>	<b>264,931</b>	<b>264,931</b>

### 9. Called up share capital Issued, called up and fully paid

	2016		2015	
	No	£	No	£
Ordinary shares of £ 1.00 each	52,100	52,100	52,100	52,100
4.2% Cumulative preference shares of £ 1.00 each	20,950	20,950	20,950	20,950
	<b>73,050</b>	<b>73,050</b>	<b>73,050</b>	<b>73,050</b>

### 10. Reserves

Profit and loss account:

This reserve records retained earnings and accumulated losses.

Non-distributable reserve

This reserve records the value of non-distributable fair value movements on investment property revaluations after deferred tax.

### 11. Contingent assets and 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 £40,052,500 (2015 Santander UK PLC - £42,462,500).

### 12. Controlling party

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

### Notes to the financial statements (continued) Year ended 31st August 2016

#### 13. Transition to FRS 102

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 1st September 2014.

#### Reconciliation of equity

	At 1 September 2014			At 31 August 2015		
	Previously stated £	Effect of transition £	FRS 102 (restated) £	Previously stated £	Effect of transition £	FRS 102 (restated) £
Fixed assets	2,575,000	-	2,575,000	2,630,000	-	2,630,000
Current assets	3,038,018	-	3,038,018	3,035,745	-	3,035,745
Creditors amounts falling due within 1 year	(20,027)	-	(20,027)	(17,754)	-	(17,754)
Net current assets	3,017,991	-	3,017,991	3,017,991	-	3,017,991
Total assets less current liabilities	5,592,991	-	5,592,991	5,647,991	-	5,647,991
Provisions for liabilities	-	(286,042)	(286,042)	-	(282,272)	(282,272)
Net assets	5,592,991	(286,042)	5,306,949	5,647,991	(282,272)	5,365,719
Equity	5,592,991	(286,042)	5,306,949	5,647,991	(282,272)	5,365,719

The group has adopted FRS 102 for the year ended 31 August 2016 and has restated the comparative prior year amounts.

The freehold investment properties continue to be valued at the year end by a professional valuer but any changes from the previous year are now initially recognised through the Profit and Loss account. To reflect the fact that the change in valuations does not form part of distributable reserves, a reserve transfer from the Profit and Loss to the non-distributable reserve account is now made. There is no overall impact on shareholders' funds in this regard. However deferred tax on revalued assets must now be provided for in full which does impact on shareholders' funds.

#### 14. Audit

The auditor's report on the accounts for the year ended 31st August 2016 was unqualified.

The audit report was signed by S.W. Johnson on behalf of Parker Gradwell & Co.

**HMG Properties Limited**

**Notes to the financial statements (continued)**

**Year ended 31st August 2016**

**15. Additional information**

The company is a private company, limited by shares and registered in England, registered number 00012255.

Registered office: St John's House, Barrington Road, Altrincham, Cheshire, WA14 1TJ.