

**Financial Statements**  
**for the Year Ended 31 August 2019**  
**for**  
**HMG Properties Limited**

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**HMG Properties Limited**

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**for the Year Ended 31 August 2019**

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**HMG Properties Limited**  
**Company Information**  
**for the Year Ended 31 August 2019**

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**DIRECTORS:**

N P Casson  
W J H Murray  
C H H Murray  
Mrs C A Hall

**SECRETARY:**

Mrs C A Hall

**REGISTERED OFFICE:**

St Johns House  
Barrington Road  
Altrincham  
Cheshire  
WA14 1TJ

**REGISTERED NUMBER:**

00012255 (England and Wales)

**AUDITORS:**

Hardy & Company (Hyde) Ltd  
Chartered Certified Accountants  
& Statutory Auditors  
Onward Chambers  
34 Market Street  
Hyde  
Cheshire  
SK14 1AH

**HMG Properties Limited (Registered number: 00012255)**

**Abridged Balance Sheet**

**31 August 2019**

	Notes	31.8.19 £	£	31.8.18 £	£
<b>FIXED ASSETS</b>					
Investment property	3		3,269,400		2,900,000
<b>CURRENT ASSETS</b>					
Debtors		2,785,601		3,049,184	
<b>CREDITORS</b>					
Amounts falling due within one year		22,034		16,923	
<b>NET CURRENT ASSETS</b>			2,763,567		3,032,261
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			6,032,967		5,932,261
<b>PROVISIONS FOR LIABILITIES</b>			289,699		277,333
<b>NET ASSETS</b>			5,743,268		5,654,928
<b>CAPITAL AND RESERVES</b>					
Called up share capital			73,050		73,050
Non distributable reserve			1,998,507		1,922,533
Retained earnings			3,671,711		3,659,345
			5,743,268		5,654,928

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

All the members have consented to the preparation of an abridged Balance Sheet for the year ended 31 August 2019 in accordance with Section 444(2A) of the Companies Act 2006.

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors on 13 December 2019 and were signed on its behalf by:



N P Casson - Director

The notes form part of these financial statements

**HMG Properties Limited**  
**Notes to the Financial Statements**  
**for the Year Ended 31 August 2019**

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**1. STATUTORY INFORMATION**

HMG Properties Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

**Significant judgements and estimates**

The preparation of the financial statements requires management to make estimates, judgements and assumptions that affect the amounts reported. These judgements and estimates are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The significant judgements and estimates relate to Investment Property.

**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 disposal proceeds on the sale of trading properties and premiums received from tenants. Amounts invoiced in advance relating to the next accounting period are included in accruals as deferred income

**Investment property**

Investment properties are revalued at the accounting date and the aggregate surplus or temporary deficit is recognised in the profit and loss account. A reserve transfer to the non distributable reserve account is then made.

Deferred taxation is provided on these gains at the rate expected to apply when the property is sold.

No depreciation or amortisation is provided. Any permanent diminutions in value below cost are charged in the profit and loss account.

This treatment is a departure from the requirements 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 FRS 102 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.

Each property has been valued individually and not as part of a portfolio. No account has been taken of any inter-company leases or arrangements, nor any mortgages, debentures or other charges, and no allowance has been made for any expenses of realisation nor for any taxation which might arise in the event of a disposal. The figures also do not reflect any element of special purchaser value following a merger of interests or sale to an owner or occupier of an adjoining property.

Where properties have not been included in the valuation review, they are included at cost or at the Directors' assessment of open market value.

**2. ACCOUNTING POLICIES - continued**

**Financial instruments**

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**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.

**HMG Properties Limited**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 August 2019**

**2. ACCOUNTING POLICIES - continued**

**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. INVESTMENT PROPERTY**

	Total £
<b>FAIR VALUE</b>	
At 1 September 2018	2,900,000
Additions	281,060
Revaluations	88,340
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At 31 August 2019	3,269,400
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<b>NET BOOK VALUE</b>	
At 31 August 2019	3,269,400
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At 31 August 2018	2,900,000
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Fair value at 31 August 2019 is represented by:

	£
Valuation in 2019	2,288,206
Cost	981,194
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	3,269,400
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If Investment property had not been revalued it would have been included at the following historical cost:

	31.8.19 £	31.8.18 £
Cost	981,194	700,134
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Investment property was valued on an open market basis on 31 August 2019 by Lambert Smith Hampton.

**4. DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006**

The Report of the Auditors was unqualified.

Paul Robert Campbell (Senior Statutory Auditor)  
for and on behalf of Hardy & Company (Hyde) Ltd

**HMG Properties Limited**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 August 2019**

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**5. CONTINGENT LIABILITIES**

The company has given a guarantee in respect of its fellow subsidiary company HMG Investments Limited for Bank loans of £35,022,500 (2018: £34,522,500).

**6. ULTIMATE 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.