

Companies House

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HULL HAMPSHIRE ESTATES PLC AND ITS SUBSIDIARIES

ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2012

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COMPANIES HOUSE

HULL HAMPSHIRE ESTATES PLC AND ITS SUBSIDIARIES

DIRECTORS AND ADVISERS

Directors	P A H Grover FRICS, Esq Mrs N Kennard R N F Parsons FNAEA, Esq
Secretary	Mrs N Kennard
Company number	02249334
Registered office	Kintyre House, 70 High Street Fareham Hampshire PO16 7BB
Registered auditors	Alliott Wingham Limited Kintyre House, 70 High Street Fareham Hampshire PO16 7BB
Business address	2 New Road Southampton SO14 0AA

HULL HAMPSHIRE ESTATES PLC AND ITS SUBSIDIARIES

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HULL HAMPSHIRE ESTATES PLC AND ITS SUBSIDIARIES

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2012

The directors present their report and financial statements for the year ended 31 December 2012

Principal activities and review of the business

The principal activity of the group was that of estate agency

The estate agency industry continued its stability in 2012

This greater stability, has led to a further increase in the level of opportunities available to the group and with the upturn in house sales, had led to the group being able to sustain its profitability with only marginal fluctuation in turnover

The results for the year of the group show a increase in turnover of 6.5% from £4,918,998 to £5,239,776

Other key performance indicators are the gross margins and operating profits achieved on the turnover. During the year gross margins decreased slightly from 47.5% to 46%. Operating profit margins have also decreased slightly from 11% to 10% which indicates only a marginal reduction in administrative expenses on comparison to the previous year.

In all cases these key performance indicators have been calculated on a consistent basis with the 2011 figures and are based directly on the amounts shown in the financial statements.

As at the year end, even though the market has stabilised the continual threat of volatility within the housing market, provides the group with a degree of risk and uncertainty. The directors consider that the group's stability and experience in the housing market, should enable the group to maintain presence within the market.

The directors consider that despite the changing market conditions, the group is in a stable position due to changes made throughout the year. This will enable the group to maintain its presence in the market and continue to take advantage as the markets improve, of which the directors continue to see during the beginning of 2013.

Results and dividends

The consolidated profit and loss account for the year is set out on

An interim ordinary dividend was paid amounting to £86,383. The directors do not recommend payment of a final dividend.

Future developments

The directors anticipate that the group will remain stable and that the state of affairs of the group will continue to be satisfactory.

Directors

The following directors have held office since 1 January 2012

P A H Grover FRICS, Esq
Mrs N Kennard
R N F Parsons FNAEA, Esq

Taxation status

The company was a close company within the provisions of the Income and Corporation Taxes Act 1988 and this position has not changed since the end of the financial year.

HULL HAMPSHIRE ESTATES PLC AND ITS SUBSIDIARIES

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

Auditors

The auditors, Elliott Wingham Limited, are deemed to be reappointed under section 487(2) of the Companies Act 2006

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 group 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,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the group's auditors are 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 group's auditors are aware of that information.

On behalf of the board



Mrs N Kennard

Director

18.06.2013

HULL HAMPSHIRE ESTATES PLC AND ITS SUBSIDIARIES

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF HULL HAMPSHIRE ESTATES PLC AND ITS SUBSIDIARIES

We have audited the group and parent company financial statements (the "financial statements") of Hull Hampshire Estates plc and its subsidiaries for the year ended 31 December 2012 set out on pages 5 to 24. 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).

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 pages 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 Annual Report 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 group's and parent company's affairs as at 31 December 2012 and of the group's profit 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.

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.

HULL HAMPSHIRE ESTATES PLC AND ITS SUBSIDIARIES

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF HULL HAMPSHIRE ESTATES PLC AND ITS SUBSIDIARIES

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

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 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



Mark Nolan ACA (Senior Statutory Auditor)
for and on behalf of Alliot Wingham Limited

18/6/13

Chartered Accountants
Statutory Auditor

Kintyre House, 70 High Street
Fareham
Hampshire
PO16 7BB

HULL HAMPSHIRE ESTATES PLC AND ITS SUBSIDIARIES

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2012

	Notes	2012 £	2011 £
Turnover	2	5,239,776	4,918,998
Cost of sales		(2,828,471)	(2,580,618)
Gross profit		2,411,305	2,338,380
Administrative expenses		(1,906,029)	(1,791,330)
Other operating income		6,524	11,448
Operating profit	3	511,800	558,498
Investment income	4	584	584
Other interest receivable and similar income		856	816
Interest payable and similar charges	5	(33,668)	(13,675)
Profit on ordinary activities before taxation		479,572	546,223
Tax on profit on ordinary activities	6	(135,493)	(152,539)
Profit on ordinary activities after taxation		344,079	393,684
Minority interests		(71,826)	(9,642)
Profit for the year	7	272,253	384,042

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

HULL HAMPSHIRE ESTATES PLC AND ITS SUBSIDIARIES

CONSOLIDATED PROFIT AND LOSS ACCOUNT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

Note of historical cost profits and losses

	2012 £	2011 £
Reported profit on ordinary activities before taxation	479,572	546,223
Difference between an historical cost depreciation charge and the actual depreciation charge of the year calculated on the revalued amount	(150)	(150)
Historical cost profit on ordinary activities before taxation	<u>479,422</u>	<u>546,073</u>
Historical cost profit for the year retained after taxation, extraordinary items and dividends	<u>186,020</u>	<u>247,509</u>

HULL HAMPSHIRE ESTATES PLC AND ITS SUBSIDIARIES

BALANCE SHEETS

AS AT 31 DECEMBER 2012

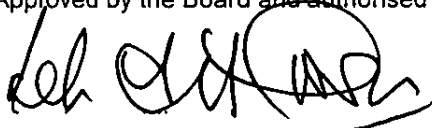
	Notes	Group 2012 £	2011 £	Company 2012 £	2011 £
Fixed assets					
Intangible assets	9	489,358	346,415	-	-
Tangible assets	10	2,759,849	1,559,602	-	-
Investments	11	-	-	831,329	524,804
		<u>3,249,207</u>	<u>1,906,017</u>	<u>831,329</u>	<u>524,804</u>
Current assets					
Stocks	12	-	37,636	-	-
Debtors	13	999,726	1,011,250	1,281,627	1,371,873
Cash at bank and in hand		962,876	1,256,641	130,489	126,650
		<u>1,962,602</u>	<u>2,305,527</u>	<u>1,412,116</u>	<u>1,498,523</u>
Creditors amounts falling due within one year	14	<u>(985,923)</u>	<u>(902,918)</u>	<u>(303,155)</u>	<u>(177,010)</u>
Net current assets		<u>976,679</u>	<u>1,402,609</u>	<u>1,108,961</u>	<u>1,321,513</u>
Total assets less current liabilities		<u>4,225,886</u>	<u>3,308,626</u>	<u>1,940,290</u>	<u>1,846,317</u>
Creditors amounts falling due after more than one year	15	<u>(1,141,366)</u>	<u>(399,866)</u>	<u>(42,000)</u>	<u>(34,000)</u>
Provisions for liabilities	16	<u>(1,138)</u>	<u>(520)</u>	<u>-</u>	<u>-</u>
		<u>3,083,382</u>	<u>2,908,240</u>	<u>1,898,290</u>	<u>1,812,317</u>
Capital and reserves					
Called up share capital	18	98,926	98,926	98,926	98,926
Share premium account	19	583,577	583,577	583,577	583,577
Revaluation reserve	19	101,986	102,166	336,087	336,087
Profit and loss account	19	2,349,950	2,246,454	879,700	793,727
Shareholders' funds	21	<u>3,134,439</u>	<u>3,031,123</u>	<u>1,898,290</u>	<u>1,812,317</u>
Minority interests	20	<u>(51,057)</u>	<u>(122,883)</u>	<u>-</u>	<u>-</u>
		<u>3,083,382</u>	<u>2,908,240</u>	<u>1,898,290</u>	<u>1,812,317</u>

HULL HAMPSHIRE ESTATES PLC AND ITS SUBSIDIARIES

BALANCE SHEETS (CONTINUED)

AS AT 31 DECEMBER 2012

Approved by the Board and authorised for issue on 18.6.13



P A H Grover FRICS, Esq
Director

Company Registration No 02249334

HULL HAMPSHIRE ESTATES PLC AND ITS SUBSIDIARIES

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2012

	£	2012 £	£	2011 £
Net cash inflow from operating activities		715,393		543,079
Returns on investments and servicing of finance				
Interest received	849		816	
Interest paid	(29,468)		(10,275)	
Dividends received	227,312		60,645	
Non equity dividends paid	(4,200)		(3,400)	
Net cash (outflow)/inflow for returns on investments and servicing of finance		194,493		47,786
Taxation		(172,604)		(179,208)
Capital expenditure and financial investment				
Payments to acquire tangible assets	(1,214,540)		(242,338)	
Payments to acquire investments	(306,525)		(93,000)	
Receipts from sales of tangible assets	2,500		10,599	
Net cash outflow for capital expenditure		(1,518,565)		(324,739)
Acquisitions and disposals				
Net cash outflow for acquisitions and disposals		(306,525)		-
Equity dividends paid		(285,900)		(190,438)
Net cash outflow before management of liquid resources and financing		(1,067,183)		(103,520)
Financing				
New long term bank loan	820,000		120,000	
Other new short term loans	68,535		-	
Repayment of long term bank loan	(123,117)		(17,129)	
New preference shares issued	8,000		-	
Net cash inflow from financing		773,418		102,871
(Decrease)/increase in cash in the year		(293,765)		(649)

HULL HAMPSHIRE ESTATES PLC AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2012

1	Reconciliation of operating profit to net cash inflow from operating activities	2012	2011
		£	£
	Operating profit	511,799	558,497
	Depreciation of tangible assets	64,443	71,794
	Amortisation of intangible assets	81,029	30,009
	Profit on disposal of tangible assets	(868)	(1,605)
	Decrease/(increase) in stocks	37,636	-
	Decrease/(increase) in debtors	(153,174)	20,952
	Increase/(decrease) in creditors within one year	174,528	(136,568)
	Net cash inflow from operating activities	715,393	543,079

2	Analysis of net (debt)/funds	1 January 2012	Cash flow	Other non-cash changes	31 December 2012
		£	£	£	£
	Net cash				
	Cash at bank and in hand	1,256,641	(293,765)	-	962,876
	Finance leases	-	(51,782)	-	(51,782)
	Debts falling due within one year	(18,929)	(68,535)	-	(87,464)
	Debts falling due after one year	(399,866)	(704,883)	-	(1,104,749)
		(418,795)	(825,200)	-	(1,243,995)
	Net funds/(debt)	837,846	(1,118,965)	-	(281,119)

3	Reconciliation of net cash flow to movement in net (debt)/funds	2012	2011
		£	£
	Decrease in cash in the year	(293,765)	(649)
	Cash inflow from increase in debt	(825,200)	(102,871)
	Movement in net (debt)/funds in the year	(1,118,965)	(103,520)
	Opening net funds	837,846	941,366
	Closing net (debt)/funds	(281,119)	837,846

HULL HAMPSHIRE ESTATES PLC AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

1.3 Basis of consolidation

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertakings made up to 31 December 2012. The results of subsidiaries sold or acquired are included in the profit and loss account up to, or from the date control passes. Intra-group sales and profits are eliminated fully on consolidation.

1.4 Turnover

Turnover represents amounts receivable for goods and services provided to third parties and gross rents receivable from property letting, net of VAT and trade discounts.

1.5 Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of 20 years.

1.6 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Freehold	2% straight line
Land and buildings Leasehold	5 years straight line
Office equipment	20% and 25% reducing balance
Fixtures and fittings	12% reducing balance
Motor vehicles	25% reducing balance

1.7 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

HULL HAMPSHIRE ESTATES PLC AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

1 Accounting policies (continued)

1.8 Investments

Fixed asset investments are stated at market value for listed investments and at directors' valuation for unlisted investments. The directors' valuation is based upon guaranteed bonuses.

Current asset investments are stated at the lower of cost and market value for listed investments and at directors' valuation for unlisted investments.

1.9 Stock and work in progress

Work in progress is valued at the lower of cost and net realisable value.

1.10 Pensions

The Group operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.11 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

No provision has been made for deferred tax on revalued property as there is no intention currently to dispose of the properties.

2 Turnover

The total turnover of the group for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3	Operating profit	2012 £	2011 £
	Operating profit is stated after charging		
	Amortisation of intangible assets	81,029	30,009
	Depreciation of tangible assets	64,443	71,794
	Loss on disposal of tangible assets	-	549
	Operating lease rentals	186,516	217,632
	Fees payable to the group's auditor for the audit of the group's annual accounts (company £1,884, 2011 £1,884)	20,704	21,659
	and after crediting		
	Profit on disposal of tangible assets	(868)	(2,154)
		<u> </u>	<u> </u>
4	Investment income	2012 £	2011 £
	Income from fixed asset investments	584	584
		<u> </u>	<u> </u>

HULL HAMPSHIRE ESTATES PLC AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

5	Interest payable	2012 £	2011 £
	On loans repayable after five years	28,081	10,004
	Hire purchase interest	1,387	-
	On overdue tax	-	271
	Other interest	4,200	3,400
		<hr/>	<hr/>
		33,668	13,675
		<hr/>	<hr/>

HULL HAMPSHIRE ESTATES PLC AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

6	Taxation	2012 £	2011 £
	Domestic current year tax		
	U K corporation tax	134,635	149,691
	Adjustment for prior years	182	568
	Tax credits on franked investment income	58	58
	Total current tax	134,875	150,317
	Deferred tax		
	Deferred tax charge/credit current year	2,557	4,438
	Deferred tax adjust re previous year	(1,939)	(2,216)
		135,493	152,539
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	697,258	546,223
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 23 22% (2011 - 25 78%)	161,903	140,816
	Effects of		
	Non deductible expenses	1,790	5,130
	Depreciation add back	21,730	25,831
	Capital allowances	(12,956)	(21,683)
	Dividends and distributions received	(38,835)	151
	Other tax adjustments	1,243	72
		23,518	9,501
	Current tax charge for the year	134,875	150,317

The group has excess trading losses of £1,189 (2010 - £1,189), none of which relates to the holding company, not adjusted through the deferred taxation account, which are available for use against future profits of the group

No provision has been made for the estimated corporation tax of £2,450 (2010 - £2,450) that would be payable if the revalued properties were sold at their revalued amounts because there is no intention currently to dispose of the properties

HULL HAMPSHIRE ESTATES PLC AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

7 Profit/(loss) for the financial year

As permitted by section 408 Companies Act 2006, the holding company's profit and loss account has not been included in these financial statements. The profit for the financial year is made up as follows

	2012 £	2011 £
Holding company's profit/(loss) for the financial year	<u>141,411</u>	<u>(13,304)</u>

8 Dividends

	2012 £	2011 £
Ordinary interim paid	<u>55,438</u>	<u>55,438</u>

9 Intangible fixed assets Group

	Goodwill £
Cost	
At 1 January 2012	509,963
Additions	223,972
At 31 December 2012	<u>733,935</u>
Amortisation	
At 1 January 2012	163,548
Charge for the year	81,029
At 31 December 2012	<u>244,577</u>
Net book value	
At 31 December 2012	<u>489,358</u>
At 31 December 2011	<u>346,415</u>

HULL HAMPSHIRE ESTATES PLC AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2012

10 Tangible fixed assets

Group

	Land and buildings Freehold £	Land and buildings Leasehold £	Office equipment £	Fixtures and fittings £	Motor vehicles £	Total £
Cost or valuation						
At 1 January 2012	1,351,882	15,000	156,726	316,114	310,612	2,150,334
Additions	1,135,693	-	24,365	26,013	80,251	1,266,322
Disposals	-	-	-	-	(15,212)	(15,212)
At 31 December 2012	<u>2,487,575</u>	<u>15,000</u>	<u>181,091</u>	<u>342,127</u>	<u>375,651</u>	<u>3,401,444</u>
Depreciation						
At 1 January 2012	25,857	15,000	132,654	181,528	235,693	590,732
On disposals	-	-	-	-	(13,580)	(13,580)
Charge for the year	<u>3,151</u>	<u>-</u>	<u>12,109</u>	<u>20,844</u>	<u>28,339</u>	<u>64,443</u>
At 31 December 2012	<u>29,008</u>	<u>15,000</u>	<u>144,763</u>	<u>202,372</u>	<u>250,452</u>	<u>641,595</u>
Net book value						
At 31 December 2012	<u>2,458,567</u>	<u>-</u>	<u>36,328</u>	<u>139,755</u>	<u>125,199</u>	<u>2,759,849</u>
At 31 December 2011	<u>1,326,025</u>	<u>-</u>	<u>24,072</u>	<u>134,586</u>	<u>74,919</u>	<u>1,559,602</u>

Included above are assets held under finance leases or hire purchase contracts as follows

	Office equipment £	Fixtures and fittings £	Motor vehicles £	Total £
Net book values				
At 31 December 2012	<u>-</u>	<u>-</u>	<u>56,115</u>	<u>56,115</u>
Depreciation charge for the year				
31 December 2012	<u>-</u>	<u>-</u>	<u>6,525</u>	<u>6,525</u>

HULL HAMPSHIRE ESTATES PLC AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2012

11 Fixed asset investments

Company

	Shares in group undertakings £
Cost or valuation	
At 1 January 2012	524,804
Additions	306,525
At 31 December 2012	831,329
Net book value	
At 31 December 2012	831,329
At 31 December 2011	524,804

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies

Company	Country of registration or incorporation	Shares held	
		Class	%
Subsidiary undertakings			
Pearsons Southern Limited	England	Ordinary	79
Pearsons Consultant Surveyors Limited	England	Ordinary	69
Pearsons Land and New Homes Limited	England	Ordinary	69
Hull Hampshire Estate Services Limited	England	Ordinary	88
West End Land Company Limited	England	Ordinary	100
Pearsons Partnerships Limited	England	Ordinary	71
Saltmarsh Estate Agents Limited	England	Ordinary	75

The principal activity of these undertakings for the last relevant financial year was as follows

	Principal activity
Pearsons Southern Limited	Estate agents
Pearsons Consultant Surveyors Limited	Property surveying
Pearsons Land and New Homes Limited	Assistance in corporate property sales
Hull Hampshire Estate Services Limited	Estate agents
West End Land Company Limited	Property investment
Pearsons Partnerships Limited	Administration of franchises
Saltmarsh Estate Agents Limited	Dormant company

HULL HAMPSHIRE ESTATES PLC AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

11 Fixed asset investments

(continued)

The subsidiary undertakings are held directly by the company, with the exception of Pearsons Consultant Surveyors Limited, Pearsons Land and New Homes Limited and Pearsons Partnerships Limited, which are themselves subsidiaries of Pearsons Southern Limited, and Saltmarsh Estate Agents Limited which is a subsidiary of Hull Hampshire Estates Services Limited

12 Work in progress

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Work in progress	-	37,636	-	-

13 Debtors

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Trade debtors	231,606	135,181	-	-
Amounts owed by group undertakings	-	79,672	724,237	856,583
Corporation tax	27,417	27,417	27,417	27,417
Other debtors	589,647	640,569	529,973	487,873
Prepayments and accrued income	151,056	128,411	-	-
	999,726	1,011,250	1,281,627	1,371,873

HULL HAMPSHIRE ESTATES PLC AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

14 Creditors amounts falling due within one year

	Group 2012 £	2011 £	Company 2012 £	2011 £
Bank loans and overdrafts	87,464	18,929	-	-
Net obligations under finance lease and hire purchase contracts	15,165	-	-	-
Trade creditors	149,505	138,762	-	-
Amounts owed to group undertakings	35,000	110,589	149,222	69,222
Corporation tax	134,635	149,691	-	-
Taxes and social security costs	322,737	279,897	-	-
Directors current accounts	144,177	103,370	144,177	103,370
Other creditors	8,550	9,008	5,338	-
Accruals and deferred income	88,690	92,672	4,418	4,418
	<u>985,923</u>	<u>902,918</u>	<u>303,155</u>	<u>177,010</u>
Debt due in one year or less	<u>87,464</u>	<u>23,017</u>	<u>-</u>	<u>-</u>

HULL HAMPSHIRE ESTATES PLC AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2012

15 Creditors amounts falling due after more than one year

	Group 2012 £	2011 £	Company 2012 £	2011 £
Bank loans	1,062,749	365,866	-	-
Net obligations under finance leases and hire purchase agreements	36,617	-	-	-
10% redeemable preference shares of £1 each	42,000	34,000	42,000	34,000
	<u>1,141,366</u>	<u>399,866</u>	<u>42,000</u>	<u>34,000</u>

Analysis of loans

Not wholly repayable within five years by
instalments

Wholly repayable within five years	1,150,213	384,795	-	-
	<u>1,150,213</u>	<u>384,795</u>	<u>-</u>	<u>-</u>
Included in current liabilities	(87,464)	(18,929)	-	-
	<u>1,062,749</u>	<u>365,866</u>	<u>-</u>	<u>-</u>

Loan maturity analysis

In more than one year but not more than two years	87,464	18,929	-	-
In more than two years but not more than five years	258,582	56,787	-	-
In more than five years	716,703	290,150	-	-
	<u></u>	<u></u>	<u></u>	<u></u>

The loans are secured by fixed charges over the investment property and other freehold land and buildings of the group

Net obligations under finance leases and hire purchase contracts

Repayable within one year	15,165	-	-	-
Repayable between one and five years	36,617	-	-	-
	<u>51,782</u>	<u>-</u>	<u>-</u>	<u>-</u>
Included in liabilities falling due within one year	(15,165)	-	-	-
	<u>36,617</u>	<u>-</u>	<u>-</u>	<u>-</u>

HULL HAMPSHIRE ESTATES PLC AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2012

16 Provisions for liabilities Group

Deferred
taxation
£

Balance at 1 January 2012
Profit and loss account

520
618

Balance at 31 December 2012

1,138

The deferred tax liability is made up as follows

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Accelerated capital allowances	1,138	520	-	-

17 Pension and other post-retirement benefit commitments

Defined contribution

	2012	2011
	£	£
Contributions payable by the group for the year	-	6,000

18 Share capital

	2012	2011
	£	£
Allotted, called up and fully paid		
86,427 Ordinary Shares of £1 each	86,427	86,427
12,499 Ordinary Shares, 25p paid of £1 each	12,499	12,499
	98,926	98,926

HULL HAMPSHIRE ESTATES PLC AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2012

19 Statement of movements on reserves Group

	Share premium account £	Revaluation reserve £	Profit and loss account £
Balance at 1 January 2012	583,577	102,136	2,163,930
Profit for the year	-	-	272,253
Dividends paid	-	-	(86,383)
Depreciation written back	-	(150)	150
Balance at 31 December 2012	<u>583,577</u>	<u>101,986</u>	<u>2,349,950</u>

Company

	Share premium account £	Revaluation reserve £	Profit and loss account £
Balance at 1 January 2012	583,577	336,087	793,727
Profit for the year	-	-	141,411
Dividends paid	-	-	(55,438)
Balance at 31 December 2012	<u>583,577</u>	<u>336,087</u>	<u>879,700</u>

20 Minority interests

	2012 £	2011 £
Minority interests' share of net assets and liabilities in subsidiary undertakings	<u>(51,057)</u>	<u>(122,883)</u>

HULL HAMPSHIRE ESTATES PLC AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2012

21 Reconciliation of movements in shareholders' funds	2012	2011
Group	£	£
Profit for the financial year	272,253	384,042
Dividends	(86,383)	(136,383)
Net addition to shareholders' funds	185,870	247,659
Opening shareholders' funds	3,031,123	2,783,464
Closing shareholders' funds	3,134,439	3,031,123

Company	2012	2011
	£	£
Profit/(Loss) for the financial year	141,411	(13,304)
Dividends	(55,438)	(55,438)
Net addition to/(depletion in) shareholders' funds	85,973	(68,742)
Opening shareholders' funds	1,812,317	1,881,059
Closing shareholders' funds	1,898,290	1,812,317

22 Employees

Number of employees

The average monthly number of employees (including directors) during the year was

	2012	2011
	Number	Number
Office and management	14	14
Sales	105	107
	119	121

Employment costs	2012	2011
	£	£
Wages and salaries	2,589,984	2,299,322
Social security costs	230,133	209,674
Other pension costs	-	6,000
	3,020,305	2,648,648

HULL HAMPSHIRE ESTATES PLC AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2012**

23 Control

The ultimate controlling party is Mr P A H Grover

24 Related party relationships and transactions

Group

(a) Mr P A H Grover is the proprietor of Hull Hampshire Estates, a related undertaking. The group has paid rent of £20,000 (2011 - £5,000) in the year. The transactions were in the normal course of business and at values equivalent to arms length. The balance owed by the group at the year end was £140,477 (2011 - £103,370).

(b) Mr P A H Grover and Mr R N F Parsons are directors of Pearsons Asset Management Limited, a related undertaking. Rent of £7,000 (2011 - £7,000) was paid by the group in the year. The transactions were in the normal course of business and at values equivalent to arms length.

(c) Mr P A H Grover and Mr R N F Parsons are directors of Hull Hampshire Estates & Investments Limited, a related undertaking. The balance owing to the group at the year end was £484,109 (2011 - £484,901).

(d) Mr R N F Parsons is a director of Hull Hampshire Estates plc. The balance owed by the group at the year end was £3,700 (2011 - £Nil).

Company

The company has taken advantage of the exemptions relating to subsidiary undertakings under Financial Reporting Standard 8 'Related party disclosures'.