

**HULL HAMPSHIRE ESTATES PLC AND ITS  
SUBSIDIARIES**

**ACCOUNTS**

**FOR THE YEAR ENDED 31 DECEMBER 2014**

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# HULL HAMPSHIRE ESTATES PLC AND ITS SUBSIDIARIES

## DIRECTORS AND ADVISERS

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

# HULL HAMPSHIRE ESTATES PLC AND ITS SUBSIDIARIES

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# HULL HAMPSHIRE ESTATES PLC AND ITS SUBSIDIARIES

## STRATEGIC REPORT

**FOR THE YEAR ENDED 31 DECEMBER 2014**

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The directors present the strategic report and financial statements for the year ended 31 December 2014.

### Review of the business

The estate agency industry continued its stability in 2014. This led to greater opportunities for the group and an upturn in house sales and profitability.

The directors report that turnover has increased and costs have also increased, resulting in a slightly lower profit for the year. The directors are confident that the performance of the group will continue to improve over the next year, due to improving market conditions.

### Description of Principal Risks and Uncertainties

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

The group also faces a minimal risk of interest rate uncertainty. It is expected that interest rates will slowly rise from current levels, which may effect demand for the purchase of housing to some extent.

### Analysis of Development and Performance

The director's 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 2015.

### Analysis based on Key Performance Indicators

The group monitors its performance through the use of Key Performance Indicators (KPI's).

Turnover has increased by 11.6% in 2014 from last year's result from £5,439,180 to £6,072,015.


Gross profit percentage for the year has slightly decreased from 48.4% in 2013 to 48.13% in 2014.

Net profit percentage for the year has decreased slightly from 15.3% in 2013 to 13.6% in 2014.

In all cases the KPI's have been calculated on a consistent basis with the 2013 figures and are based directly on the amounts shown in the financial statements.

The KPI's illustrate that the company performance is continuing to improve in line with the overall improvement in the UK housing market.

On behalf of the board



Mr P A H Grover FRICS

Director

12/6/15

# **HULL HAMPSHIRE ESTATES PLC AND ITS SUBSIDIARIES**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2014**

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The directors present their report and financial statements for the year ended 31 December 2014.

#### **Principal activities and review of the business**

The principal activity of the group was that of estate agency.

#### **Results and dividends**

The consolidated profit and loss account for the year is set out on page 6.

An interim ordinary dividend was paid amounting to £9,075. The directors do not recommend payment of a final dividend.

#### **Directors**

The following directors have held office since 1 January 2014:

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

#### **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.

#### **Auditors**

The auditors, Allott 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 Strategic Report, 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.

# HULL HAMPSHIRE ESTATES PLC AND ITS SUBSIDIARIES

## DIRECTORS' REPORT (CONTINUED)

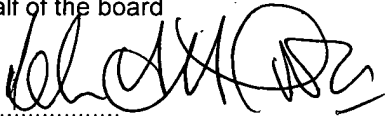
**FOR THE YEAR ENDED 31 DECEMBER 2014**

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### 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



Mr P A H Grover FRICS

Director

12/6/15

# HULL HAMPSHIRE ESTATES PLC AND ITS SUBSIDIARIES

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF HULL HAMPSHIRE ESTATES PLC AND ITS SUBSIDIARIES

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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 2014 set out on pages 6 to 23. 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 2 - 3, 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**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board, except that the scope of our work was limited as explained below.

An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's and the group's circumstances, consistently applied and adequately disclosed.

We planned our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

However, as disclosed in note 11, the group has not undertaken external valuations on investment properties totalling £42,652 from a balance sheet total of £856,300. There were no other satisfactory audit procedures that we could adopt to confirm the values of the properties.

#### **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 2014 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 Strategic Report and 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)

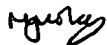
### TO THE MEMBERS OF HULL HAMPSHIRE ESTATES PLC AND ITS SUBSIDIARIES

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#### 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

12/6/15

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 2014

	Notes	2014 £	2013 £
Turnover	2	6,072,015	5,439,179
Cost of sales		(3,149,828)	(2,804,689)
<b>Gross profit</b>		<b>2,922,187</b>	<b>2,634,490</b>
Administrative expenses		(2,048,428)	(1,768,540)
Other operating income		8,803	10,768
<b>Operating profit</b>	<b>3</b>	<b>882,562</b>	<b>876,718</b>
Investment income	4	211	328
Other interest receivable and similar income		1,454	884
Interest payable and similar charges	5	(57,038)	(45,566)
<b>Profit on ordinary activities before taxation</b>		<b>827,189</b>	<b>832,364</b>
Tax on profit on ordinary activities	6	(199,840)	(191,763)
<b>Profit on ordinary activities after taxation</b>		<b>627,349</b>	<b>640,601</b>
Minority interests		(69,022)	(79,413)
<b>Profit for the financial year</b>	<b>7</b>	<b>558,327</b>	<b>561,188</b>

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.

### Note of historical cost profits and losses

	2014 £	2013 £
<b>Reported profit on ordinary activities before taxation</b>	<b>827,189</b>	<b>832,364</b>
Difference between an historical cost depreciation charge and the actual depreciation charge of the year calculated on the revalued amount	(150)	(150)
<b>Historical cost profit on ordinary activities before taxation</b>	<b>826,889</b>	<b>832,214</b>
<b>Historical cost profit for the year retained after taxation, extraordinary items and dividends</b>	<b>549,102</b>	<b>475,994</b>

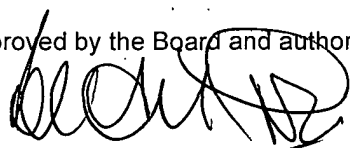
# HULL HAMPSHIRE ESTATES PLC AND ITS SUBSIDIARIES

## BALANCE SHEETS

AS AT 31 DECEMBER 2014

	Notes	Group 2014 £	2013 £	Company 2014 £	2013 £
<b>Fixed assets</b>					
Intangible assets	9	1,515,776	585,313	-	-
Tangible assets	10	3,684,783	3,587,931	-	-
Investments	11	27,000	-	2,150,107	940,309
		<u>5,227,559</u>	<u>4,173,244</u>	<u>2,150,107</u>	<u>940,309</u>
<b>Current assets</b>					
Debtors	12	1,043,051	1,139,902	1,784,281	1,379,124
Cash at bank and in hand		1,277,406	1,054,529	42,567	33,207
		<u>2,320,457</u>	<u>2,194,431</u>	<u>1,826,848</u>	<u>1,412,331</u>
<b>Creditors: amounts falling due within one year</b>	13	(2,245,269)	(1,154,864)	(1,256,705)	(311,948)
<b>Net current assets</b>		<u>75,188</u>	<u>1,039,567</u>	<u>570,143</u>	<u>1,100,383</u>
<b>Total assets less current liabilities</b>		<u>5,302,747</u>	<u>5,212,811</u>	<u>2,720,250</u>	<u>2,040,692</u>
<b>Creditors: amounts falling due after more than one year</b>	14	(1,357,558)	(1,582,712)	(62,000)	(50,000)
<b>Provisions for liabilities</b>	15	(19,003)	(11,062)	-	-
		<u>3,926,186</u>	<u>3,619,037</u>	<u>2,658,250</u>	<u>1,990,692</u>
<b>Capital and reserves</b>					
Called up share capital	16	136,425	98,926	136,425	98,926
Share premium account	17	583,577	583,577	583,577	583,577
Revaluation reserve	17	101,686	101,836	336,087	336,087
Profit and loss account	17	3,007,120	2,806,342	1,602,161	972,102
<b>Shareholders' funds</b>	19	<u>3,828,808</u>	<u>3,590,681</u>	<u>2,658,250</u>	<u>1,990,692</u>
<b>Minority interests</b>	18	<u>97,378</u>	<u>28,356</u>	<u>-</u>	<u>-</u>
		<u>3,926,186</u>	<u>3,619,037</u>	<u>2,658,250</u>	<u>1,990,692</u>

Approved by the Board and authorised for issue on 12/6/15



Mr P A H Grover FRICS  
Director

Company Registration No. 02249334

# HULL HAMPSHIRE ESTATES PLC AND ITS SUBSIDIARIES

## CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2014

	2014	2013
£	£	£
<b>Net cash (outflow)/inflow from operating activities</b>	2,239,394	853,432
<b>Returns on investments and servicing of finance</b>		
Interest received	1,454	880
Interest paid	(50,838)	(34,433)
Dividends received	211	227,487
Non equity dividends paid	(6,200)	(10,000)
<b>Net cash outflow for returns on investments and servicing of finance</b>	(55,373)	183,934
<b>Taxation</b>	(184,129)	(156,572)
<b>Capital expenditure</b>		
Payments to acquire intangible assets	(27,000)	-
Payments to acquire tangible assets	(194,988)	(873,502)
Receipts from sales of tangible assets	13,630	5,233
<b>Net cash outflow for capital expenditure</b>	(208,358)	(868,269)
<b>Acquisitions and disposals</b>		
Purchase of subsidiary undertakings (net of cash acquired)	(1,373,548)	(108,980)
<b>Net cash outflow for acquisitions and disposals</b>	(1,373,548)	(108,980)
<b>Equity dividends paid</b>	(9,075)	(289,638)
<b>Net cash inflow/(outflow) before management of liquid resources and financing</b>	408,911	(386,093)
<b>Financing</b>		
Issue of ordinary share capital	37,499	-
New long term bank loan	-	577,998
Other new short term loans	1,620	58,658
Repayment of long term bank loan	(204,675)	(166,910)
Capital element of hire purchase contracts	(32,478)	-
New preference shares issued	12,000	8,000
<b>Net cash (outflow)/inflow from financing</b>	(186,034)	477,746
<b>Increase/(decrease) in cash in the year</b>	222,877	91,653

# HULL HAMPSHIRE ESTATES PLC AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2014

1	Reconciliation of operating profit to net cash inflow from operating activities	2014	2013
		£	£
	Operating profit	882,562	876,752
	Depreciation of tangible assets	90,754	79,984
	Amortisation of intangible assets	94,461	(6,727)
	Profit on disposal of tangible assets	(6,249)	(226)
	Decrease/(increase) in debtors	113,985	(319,421)
	Increase in creditors within one year	1,063,881	223,069
	Group relief	-	1
	Net cash inflow from operating activities	2,239,394	853,432

2	Analysis of net debt	1 January 2014	Cash flow	Other non-cash changes	31 December 2014
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	1,054,529	222,877	-	1,277,406
	Finance leases	(91,353)	32,479	-	(58,874)
	Debts falling due within one year	(146,122)	(1,620)	-	(147,742)
	Debts falling due after one year	(1,523,837)	192,675	-	(1,331,162)
		(1,761,312)	223,534	-	(1,537,778)
	Net debt	(706,783)	446,411	-	(260,372)

3	Reconciliation of net cash flow to movement in net debt	2014	2013
		£	£
	Increase/(decrease) in cash in the year	222,877	91,653
	Cash outflow/(inflow) from decrease/(increase) in debt	223,534	(517,317)
	Movement in net debt in the year	446,411	(425,664)
	Opening net debt	(706,783)	(281,119)
	Closing net debt	(260,372)	(706,783)

# HULL HAMPSHIRE ESTATES PLC AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2014

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#### 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 2014. 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.

##### 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.

# HULL HAMPSHIRE ESTATES PLC AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

### 1 Accounting policies

(Continued)

#### 1.9 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.

#### 1.10 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

	2014 £	2013 £
Operating profit is stated after charging:		
Amortisation of intangible assets	94,461	(6,727)
Depreciation of tangible assets	90,754	79,984
Operating lease rentals	125,414	129,547
Fees payable to the group's auditor for the audit of the group's annual accounts (company £1884; 2013: £1884)	20,784	21,179
	-	-
and after crediting:	-	-
Profit on disposal of tangible assets	(226)	(868)

### 4 Investment income

	2014 £	2013 £
Income from fixed asset investments	211	328

# HULL HAMPSHIRE ESTATES PLC AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

<b>5</b>	<b>Interest payable</b>	<b>2014</b>	<b>2013</b>
		<b>£</b>	<b>£</b>
	On loans repayable after five years	47,813	31,408
	Lease finance charges and hire purchase interest	3,025	4,158
		<u>50,838</u>	<u>35,566</u>
<b>6</b>	<b>Taxation</b>	<b>2014</b>	<b>2013</b>
		<b>£</b>	<b>£</b>
	<b>Domestic current year tax</b>		
	U.K. corporation tax	190,421	182,651
	Adjustment for prior years	1,458	(812)
	Tax credits on franked investment income	21	-
	<b>Total current tax</b>	<u>191,900</u>	<u>181,839</u>
	<b>Deferred tax</b>		
	Deferred tax charge/credit current year	6,637	10,139
	Deferred tax adjust re previous year	1,303	(215)
		<u>7,940</u>	<u>9,924</u>
		<u>199,840</u>	<u>191,763</u>
	<b>Factors affecting the tax charge for the year</b>		
	Profit on ordinary activities before taxation	<u>827,189</u>	<u>832,364</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 21.41% (2013 - 23.13%)	<u>177,101</u>	<u>192,526</u>
	Effects of:		
	Non deductible expenses	1,325	3,446
	Depreciation add back	38,347	16,216
	Capital allowances	(26,303)	(29,551)
	Adjustments to previous periods	1,458	(812)
	Dividends and distributions received	(45)	-
	Other tax adjustments	17	14
		<u>14,799</u>	<u>(10,687)</u>
	<b>Current tax charge for the year</b>	<u>191,900</u>	<u>181,839</u>

# HULL HAMPSHIRE ESTATES PLC AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

### 7 Profit 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:

	2014 £	2013 £
Holding company's profit for the financial year	639,134	147,840

### 8 Dividends

	2014 £	2013 £
Ordinary interim paid	9,075	55,438

### 9 Intangible fixed assets Group

	Goodwill £
<b>Cost</b>	
At 1 January 2014	823,163
Additions	1,024,924
At 31 December 2014	1,848,087
<b>Amortisation</b>	
At 1 January 2014	237,850
Charge for the year	94,461
At 31 December 2014	332,311
<b>Net book value</b>	
At 31 December 2014	1,515,776
At 31 December 2013	585,313



# HULL HAMPSHIRE ESTATES PLC AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

(Continued)

### 10 Tangible fixed assets

#### Group

	Land and buildings Freehold £	Land and buildings Leasehold £	Office equipment £	Fixtures and fittings £	Motor vehicles £	Total £
<b>Cost or valuation</b>						
At 1 January 2014	3,307,567	15,000	195,535	351,011	421,259	4,290,372
Additions	-	-	34,330	80,300	84,431	199,061
Disposals	-	-	-	-	(72,134)	(72,134)
At 31 December 2014	3,307,567	15,000	229,865	431,311	433,556	4,417,299
<b>Depreciation</b>						
At 1 January 2014	32,159	15,000	157,456	221,750	276,076	702,441
On disposals	-	-	-	-	(64,753)	(64,753)
Charge for the year	3,151	-	11,820	30,334	49,523	94,828
At 31 December 2014	35,310	15,000	169,276	252,084	260,846	732,516
<b>Net book value</b>						
At 31 December 2014	3,272,257	-	60,589	179,227	172,710	3,684,783
At 31 December 2013	3,275,408	-	38,079	129,261	145,183	3,587,931

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

	Office equipment £	Fixtures and fittings £	Motor vehicles £	Total £
<b>Net book values</b>				
At 31 December 2014	-	-	74,647	74,647
At 31 December 2013	-	-	97,282	97,282
<b>Depreciation charge for the year</b>				
31 December 2014	-	-	22,945	22,945
31 December 2013	-	-	28,586	28,586

# HULL HAMPSHIRE ESTATES PLC AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

### 11 Fixed asset investments Group

	Unlisted investments £
<b>Cost or valuation</b>	
At 1 January 2014	-
Additions	27,000
At 31 December 2014	27,000
<b>Net book value</b>	
At 31 December 2014	27,000

### Company

	Unlisted investments £	Shares in group undertakings £	Total £
<b>Cost or valuation</b>			
At 1 January 2014	-	940,309	940,309
Additions	27,000	1,182,798	1,209,798
At 31 December 2014	27,000	2,123,107	2,150,107
<b>Net book value</b>			
At 31 December 2014	27,000	2,123,107	2,150,107
At 31 December 2013	-	940,309	940,309

In the opinion of the 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	%
<b>Subsidiary undertakings</b>			
Pearsons Southern Limited	England	Ordinary	100.00
Pearsons Consultant Surveyors Limited	England	Ordinary	100.00
Pearsons Land and New Homes Limited	England	Ordinary	100.00
Hull Hampshire Estate Services Limited	England	Ordinary	100.00
West End Land Company Limited	England	Ordinary	100.00
Pearsons Partnerships Limited	England	Ordinary	100.00
Saltmarsh Estate Agents Limited	England	Ordinary	100.00

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

# HULL HAMPSHIRE ESTATES PLC AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

### 11 Fixed asset investments

(Continued)

	Principal activity
Pearsons Southern Limited	Estate agents
Pearsons Consultant Surveyors Limited	Property surveying
Pearsons Land and New Homes Limited	Sale of land and new homes
Hull Hampshire Estate Services Limited	Estate agents T/a Field Palmer
West End Land Company Limited	Ownership of property occupied by group companies
Pearsons Partnerships Limited	Administration of franchises
Saltmarsh Estate Agents Limited	Dormant company

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 Debtors

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Trade debtors	201,259	222,443	-	-
Amounts owed by group undertakings	-	-	1,251,162	810,977
Corporation tax	27,417	27,417	27,417	27,417
Other debtors	608,375	645,333	505,702	540,730
Prepayments and accrued income	206,000	277,473	-	-
	<u>1,043,051</u>	<u>1,139,902</u>	<u>1,784,281</u>	<u>1,379,124</u>

# HULL HAMPSHIRE ESTATES PLC AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

### 13 Creditors : amounts falling due within one year

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Bank loans and overdrafts	147,742	146,122	-	-
Net obligations under finance lease and hire purchase contracts	32,478	32,478	-	-
Trade creditors	165,352	154,391	-	-
Amounts owed to group undertakings	163,406	35,000	135,000	149,222
Corporation tax	190,421	182,651	-	-
Taxes and social security costs	304,469	312,983	-	-
Directors current accounts	1,111,787	153,108	1,111,787	153,108
Other creditors	16,544	23,512	5,500	5,200
Accruals and deferred income	113,070	114,619	4,418	4,418
	<u>2,245,269</u>	<u>1,154,864</u>	<u>1,256,705</u>	<u>311,948</u>
Debt due in one year or less	<u>147,742</u>	<u>146,122</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 2014

### 14 Creditors : amounts falling due after more than one year

	Group 2014 £	2013 £	Company 2014 £	2013 £
Bank loans	1,269,162	1,473,837	-	-
Net obligations under finance leases and hire purchase agreements	26,396	58,875	-	-
10% redeemable preference shares of £1 each - 62,000	62,000	50,000	62,000	50,000
	<u>1,357,558</u>	<u>1,582,712</u>	<u>62,000</u>	<u>50,000</u>

#### Analysis of loans

Not wholly repayable within five years by instalments:

Wholly repayable within five years	1,416,904	1,619,959	-	-
	<u>1,416,904</u>	<u>1,619,959</u>	<u>-</u>	<u>-</u>
Included in current liabilities	(147,742)	(146,122)	-	-
	<u>1,269,162</u>	<u>1,473,837</u>	<u>-</u>	<u>-</u>
Instalments not due within five years	-	-	-	-

#### Loan maturity analysis

In more than one year but not more than two years	147,742	146,122	-	-
In more than two years but not more than five years	478,484	417,327	-	-
In more than five years	790,677	910,388	-	-
	<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	32,478	32,478	-	-
Repayable between one and five years	26,396	58,875	-	-
	<u>58,874</u>	<u>91,353</u>	<u>-</u>	<u>-</u>
Included in liabilities falling due within one year	(32,478)	(32,478)	-	-
	<u>26,396</u>	<u>58,875</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 2014

### 15 Provisions for liabilities Group

	Deferred taxation £
Balance at 1 January 2014& at 31 December 2014	11,062
Profit and loss account	7,941
Balance at 31 December 2014	<u>19,003</u>

The deferred tax liability is made up as follows:

	Group 2014 £	2013 £	Company 2014 £	2013 £
Accelerated capital allowances	<u>19,003</u>	<u>11,062</u>	<u>-</u>	<u>-</u>

### 16 Share capital

	2014 £	2013 £
<b>Allotted, called up and fully paid</b>		
136,425 Ordinary Shares of £1 each	136,425	86,427
12,499 Ordinary Shares, 25p paid of £1 each	-	12,499
	<u>136,425</u>	<u>98,926</u>

### 17 Statement of movements on reserves Group

	Share premium account £	Revaluation reserve £	Profit and loss account £
Balance at 1 January 2014	583,577	101,836	2,457,718
Profit for the year	-	-	558,327
Dividends paid	-	-	(9,075)
Depreciation written back	-	(150)	150
Balance at 31 December 2014	<u>583,577</u>	<u>101,686</u>	<u>3,007,120</u>

# HULL HAMPSHIRE ESTATES PLC AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

### 17 Statement of movements on reserves

(Continued)

#### Company

	Share premium account £	Revaluation reserve £	Profit and loss account £
Balance at 1 January 2014	583,577	336,087	972,102
Profit for the year	-	-	639,134
Dividends paid	-	-	(9,075)
Balance at 31 December 2014	<u>583,577</u>	<u>336,087</u>	<u>1,602,161</u>

### 18 Minority interests

	2014 £	2013 £
Minority interests' share of net assets and liabilities in subsidiary undertakings	<u>97,378</u>	<u>28,356</u>

# HULL HAMPSHIRE ESTATES PLC AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

19	Reconciliation of movements in shareholders' funds	2014	2013
		£	£
	<b>Group</b>		
	Profit for the financial year	558,327	561,188
	Dividends	(9,075)	(85,194)
		<u>549,252</u>	<u>475,994</u>
	Proceeds from issue of shares	37,499	-
		<u>586,751</u>	<u>475,994</u>
	Net addition to shareholders' funds	3,590,681	3,114,687
	Opening shareholders' funds	<u>3,828,808</u>	<u>3,590,681</u>
	Closing shareholders' funds	<u>3,828,808</u>	<u>3,590,681</u>
	<b>Company</b>		
	Profit for the financial year	639,134	147,840
	Dividends	(9,075)	(55,438)
		<u>630,059</u>	<u>92,402</u>
	Proceeds from issue of shares	37,499	-
		<u>667,558</u>	<u>92,402</u>
	Net addition to shareholders' funds	1,990,692	1,898,290
	Opening shareholders' funds	<u>2,658,250</u>	<u>1,990,692</u>
	Closing shareholders' funds	<u>2,658,250</u>	<u>1,990,692</u>



# HULL HAMPSHIRE ESTATES PLC AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

### 20 Employees

#### Number of employees

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

	2014 Number	2013 Number
Office and management	14	14
Sales	111	107
	<u>125</u>	<u>121</u>

#### Employment costs

	2014 £	2013 £
Wages and salaries	2,895,446	2,595,913
Social security costs	288,519	239,576
Staff pension costs	17,508	-
	<u>3,201,473</u>	<u>2,835,489</u>

### 21 Control

The ultimate controlling party is Mr P A H Grover.

# HULL HAMPSHIRE ESTATES PLC AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

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### 22 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 (2013 - £20,000) 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 £871,787 (2013- £153,108).

(b) Mr P A H Grover and Mr R N F Parsons are directors of Pearsons Asset Management Limited, a related undertaking. Rent of £14,000 (2013 - £14,000) was paid by the group in the year. The transactions were in the normal course of business and at values equivalent to arms length. The balance owed to the group at the year end was £135,000 (2013 - owed by the group £25,000).

(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 (2013 - £484,109).

(d) Mr P A H Grover and Mr R N F Parsons are directors of Levabond Limited, a related undertaking. The balance owed to the group at the year end was £8,621 (2013 - £12,000).

(e) Mr R N F Parsons is a director of Hull Hampshire Estates plc. The balance owed by the group at the year end was £240,000 (2013 - £Nil).

#### Company

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