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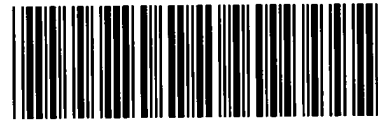
Company Registration No. 02249334 (England and Wales)

**HULL HAMPSHIRE ESTATES PLC AND ITS
SUBSIDIARIES**

ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2017

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HULL HAMPSHIRE ESTATES PLC AND ITS SUBSIDIARIES

COMPANY INFORMATION

Directors	Mr P A H Grover FRICS	
	Mr R N F Parsons FNAEA	
	Mrs N Kennard	
	Mr M W Gilbert	(Appointed 1 April 2018)
	Mrs G Smith	(Appointed 1 April 2018)
	Mr A Grover	(Appointed 1 April 2018)
Secretary	Mrs N Kennard	
Company number	02249334	
Registered office	Kintyre House 70 High Street Fareham Hants PO16 7BB	
Auditor	Alliott Wingham Limited Kintyre House 70 High Street Fareham Hants PO16 7BB	
Business address	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 2017

The directors present the strategic report for the year ended 31 December 2017.

Fair review of the business

The estate agency industry continued its stability in 2017. This led to greater opportunities for the group and an upturn in house sales and profitability.

The directors report that turnover has remained similar to 2016, and that costs have only increased slightly in comparison to the previous year. This has resulted in a slightly higher operating profit, however due to a reduction in property value increases, the net profit has reduced slightly in comparison to 2016.

The directors are confident that the performance of the group will continue to improve over the next year, due to continuing improving market conditions.

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.

Also, due to the ongoing increase by the government in stamp duty on second properties, the group might experience fluctuations in its results over the coming year.

Development and performance

The director's consider that despite the changing market conditions, the group continues to be in a stable position due to ongoing changes made during the year.

This will enable the group to maintain its presence in the market and continue to take advantage as the markets continue to improve.

Key performance indicators

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

Turnover has increased by 5.3% in 2017, from last year's result of £5,806,054 to £6,116,430.

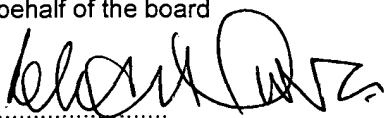
Gross profit percentage for the year has increased from 46.8% in 2016 to 49.3% in 2017.

Net profit percentage for the year has decreased slightly from 14.9% in 2016 to 12.7% in 2017.

In all cases the KPI's have been calculated on a consistent basis with the 2016 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

8.5.18

HULL HAMPSHIRE ESTATES PLC AND ITS SUBSIDIARIES

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

The directors present their annual report and financial statements for the year ended 31 December 2017.

Principal activities

The principal activity of the group continued to be that of estate agency.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr P A H Grover FRICS

Mr R N F Parsons FNAEA

Mrs N Kennard

Mr M W Gilbert

(Appointed 1 April 2018)

Mrs G Smith

(Appointed 1 April 2018)

Mr A Grover

(Appointed 1 April 2018)

Results and dividends

The results for the year are set out on page 7.

Ordinary dividends were paid amounting to £71,850. The directors do not recommend payment of a further 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.


Auditor

The auditor, Allott Wingham Limited, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually 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 auditor of the company is aware of that information.

On behalf of the board



Mr P A H Grover FRICS

Director

Date: 8.5.18

HULL HAMPSHIRE ESTATES PLC AND ITS SUBSIDIARIES

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2017

The directors are responsible for preparing the Annual 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 group and company, 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 and company will continue in business.

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

HULL HAMPSHIRE ESTATES PLC AND ITS SUBSIDIARIES

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HULL HAMPSHIRE ESTATES PLC AND ITS SUBSIDIARIES

Opinion

We have audited the financial statements of Hull Hampshire Estates plc and its subsidiaries (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2017 which comprise the Group Profit And Loss Account, the Group Statement of Comprehensive Income, the Group Balance Sheet, the Company Balance Sheet, the Group Statement of Changes in Equity, the Company Statement of Changes in Equity, the Group Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2017 and of its loss 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

HULL HAMPSHIRE ESTATES PLC AND ITS SUBSIDIARIES

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF HULL HAMPSHIRE ESTATES PLC AND ITS SUBSIDIARIES

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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 auditor's 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.

HULL HAMPSHIRE ESTATES PLC AND ITS SUBSIDIARIES

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF HULL HAMPSHIRE ESTATES PLC AND ITS SUBSIDIARIES

Regulus

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

8/5/18

Chartered Accountants
Statutory Auditor

Kintyre House
70 High Street
Fareham
Hants
PO16 7BB

HULL HAMPSHIRE ESTATES PLC AND ITS SUBSIDIARIES

GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 £	2016 £
Turnover	3	6,116,430	5,806,054
Cost of sales		(3,101,282)	(3,088,189)
Gross profit		3,015,148	2,717,865
Administrative expenses		(2,309,601)	(2,113,821)
Other operating income		3,230	1,725
Operating profit	4	708,777	605,769
Interest receivable and similar income	7	53,759	4,260
Interest payable and similar expenses	8	(53,828)	(42,919)
Fair value gains and losses on investment properties		69,548	300,000
Profit before taxation		778,256	867,110
Tax on profit	9	(165,172)	(136,436)
Profit for the financial year	24	613,084	730,674

Profit for the financial year is all attributable to the owners of the parent company.

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

HULL HAMPSHIRE ESTATES PLC AND ITS SUBSIDIARIES

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2017

	2017 £	2016 £
Profit for the year	613,084	730,674
Other comprehensive income		
Other comprehensive income of associates and jointly controlled entities accounted for using the equity method	(150)	(150)
Total comprehensive income for the year	<u>612,934</u>	<u>730,524</u>

Total comprehensive income for the year is all attributable to the owners of the parent company.

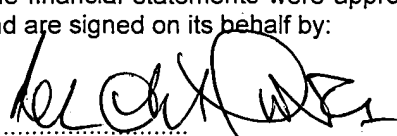
HULL HAMPSHIRE ESTATES PLC AND ITS SUBSIDIARIES

GROUP BALANCE SHEET

AS AT 31 DECEMBER 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Goodwill	11	1,258,770		1,356,193	
Tangible assets	12	5,282,857		4,766,176	
Investments	13	27,000		27,000	
		<u>6,568,627</u>		<u>6,149,369</u>	
Current assets					
Debtors	16	1,130,510		1,049,832	
Cash at bank and in hand		1,167,188		1,018,127	
		<u>2,297,698</u>		<u>2,067,959</u>	
Creditors: amounts falling due within one year	17	(1,438,768)		(1,264,513)	
Net current assets		<u>858,930</u>		<u>803,446</u>	
Total assets less current liabilities		<u>7,427,557</u>		<u>6,952,815</u>	
Creditors: amounts falling due after more than one year	18	(1,728,989)		(1,806,125)	
Provisions for liabilities	21	(54,091)		(34,746)	
Net assets		<u>5,644,477</u>		<u>5,111,944</u>	
Capital and reserves					
Called up share capital	23	136,425		136,425	
Share premium account		583,577		583,577	
Revaluation reserve		(365,063)		(365,062)	
Profit and loss reserves	24	5,192,160		4,659,626	
Equity attributable to owners of the parent company		<u>5,547,099</u>		<u>5,014,566</u>	
Non-controlling interests		97,378		97,378	
		<u>5,644,477</u>		<u>5,111,944</u>	

The financial statements were approved by the board of directors and authorised for issue on 8.5.18 and are signed on its behalf by:


Mr P A H Grover FRICS
Director

HULL HAMPSHIRE ESTATES PLC AND ITS SUBSIDIARIES

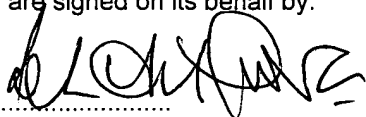
COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Investments	13		2,150,107		2,150,107
Current assets					
Debtors	16	636,612		1,471,816	
Cash at bank and in hand		48,678		24,028	
		<u>685,290</u>		<u>1,495,844</u>	
Creditors: amounts falling due within one year	17	<u>(262,228)</u>		<u>(388,382)</u>	
Net current assets			423,062		1,107,462
Total assets less current liabilities			2,573,169		3,257,569
Creditors: amounts falling due after more than one year	18		(81,000)		(81,000)
Net assets			<u>2,492,169</u>		<u>3,176,569</u>
Capital and reserves					
Called up share capital	23	136,425		136,425	
Share premium account		583,577		583,577	
Profit and loss reserves	24	<u>1,772,167</u>		<u>2,456,567</u>	
Total equity			<u>2,492,169</u>		<u>3,176,569</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £653,851 (2016 - £336,191 profit).

The financial statements were approved by the board of directors and authorised for issue on 8.5.18 and are signed on its behalf by:



Mr P A H Grover FRICS
Director

Company Registration No. 02249334

HULL HAMPSHIRE ESTATES PLC AND ITS SUBSIDIARIES

GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	Share capital £	Share premium account £	Revaluation reserve £	Profit and loss reserves £	Total controlling interest £	Non-controlling interest £	Total £
Balance at 1 January 2016		136,425	583,577	(364,943)	3,958,779	4,313,838	97,378	4,411,216
Year ended 31 December 2016:								
Profit for the year		-	-	-	730,674	730,674	-	730,674
Other comprehensive income:								
Other comprehensive income of associates and jointly controlled entities accounted for using the equity method		-	-	(119)	-	(119)	-	(119)
Total comprehensive income for the year		-	-	(119)	730,674	730,555	-	730,674
Dividends	10	-	-	-	(29,950)	(29,950)	-	(29,950)
Transfers		-	-	-	123	123	-	123
Balance at 31 December 2016		136,425	583,577	(365,062)	4,659,626	5,014,566	97,378	5,111,944
Year ended 31 December 2017:								
Profit for the year		-	-	-	613,083	613,084	-	613,084
Other comprehensive income:								
Other comprehensive income of associates and jointly controlled entities accounted for using the equity method		-	-	(150)	-	(150)	-	(150)
Total comprehensive income for the year		-	-	(150)	613,083	612,934	-	613,084
Dividends	10	-	-	-	(80,549)	(80,549)	-	(80,549)
Balance at 31 December 2017		136,425	583,577	(365,063)	5,192,160	5,547,099	97,378	5,644,477

HULL HAMPSHIRE ESTATES PLC AND ITS SUBSIDIARIES

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £
Balance at 1 January 2016		136,425	583,577	2,150,326	2,870,328
Year ended 31 December 2016:					
Profit and total comprehensive income for the year		-	-	336,191	336,191
Dividends	10	-	-	(29,950)	(29,950)
Balance at 31 December 2016		136,425	583,577	2,456,567	3,176,569
Year ended 31 December 2017:					
Loss and total comprehensive income for the year		-	-	(653,851)	(653,851)
Dividends	10	-	-	(30,549)	(30,549)
Balance at 31 December 2017		136,425	583,577	1,772,167	2,492,169

HULL HAMPSHIRE ESTATES PLC AND ITS SUBSIDIARIES

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 £	£	2016 £	£
Cash flows from operating activities					
Cash generated from operations	26	798,886		349,002	
Interest paid		(53,828)		(42,919)	
Income taxes paid		(120,201)		(144,834)	
Net cash inflow from operating activities		624,857		161,249	
Investing activities					
Purchase of intangible assets		-	(30,000)		
Purchase of tangible fixed assets		(547,633)	(893,978)		
Proceeds on disposal of tangible fixed assets		500	13,400		
Interest received		3,759	4,260		
Dividends received		50,000	-		
Net cash used in investing activities		(493,374)		(906,318)	
Financing activities					
Repayment of borrowings		(24,000)	64,000		
Repayment of bank loans		106,326	585,065		
Payment of finance leases obligations		15,801	(23,546)		
Dividends paid to equity shareholders		(80,549)	(29,950)		
Net cash generated from financing activities		17,578		595,569	
Net increase/(decrease) in cash and cash equivalents		149,061		(149,500)	
Cash and cash equivalents at beginning of year		1,018,127		1,167,627	
Cash and cash equivalents at end of year		1,167,188		1,018,127	

HULL HAMPSHIRE ESTATES PLC AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

Company information

Hull Hampshire Estates plc and its subsidiaries ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Kintyre House, 70 High Street, Fareham, Hampshire, PO16 7BB.

The group consists of Hull Hampshire Estates plc and its subsidiaries.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment' – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

HULL HAMPSHIRE ESTATES PLC AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

The consolidated financial statements incorporate those of Hull Hampshire Estates plc and its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 December 2017. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Entities other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence, are treated as associates. In the group financial statements, associates are accounted for using the equity method.

Entities in which the group holds an interest and which are jointly controlled by the group and one or more other venturers under a contractual arrangement are treated as joint ventures. In the group financial statements, joint ventures are accounted for using the equity method.

1.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

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 Intangible fixed assets - goodwill

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

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

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

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

HULL HAMPSHIRE ESTATES PLC AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

1.7 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate using the equity method. Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate.

In the parent company financial statements, investments in associates are accounted for at cost less impairment.

Entities in which the group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.8 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

HULL HAMPSHIRE ESTATES PLC AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.9 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

HULL HAMPSHIRE ESTATES PLC AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.11 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

HULL HAMPSHIRE ESTATES PLC AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

1.12 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

1.13 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

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.

1.14 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.15 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.16 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

HULL HAMPSHIRE ESTATES PLC AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Property, Plant and Equipment

Determine whether there are indicators of impairment of the company's property, plant & equipment. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Property, Plant and Equipment

Tangible fixed assets, other than investment properties, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

3 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2017 £	2016 £
Turnover analysed by class of business		
United Kingdom	6,116,430	5,806,054
	<u> </u>	<u> </u>
	2017 £	2016 £
Other significant revenue		
Interest income	3,759	4,260
Dividends received	50,000	-
	<u> </u>	<u> </u>

HULL HAMPSHIRE ESTATES PLC AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

3 Turnover and other revenue (Continued)

	2017 £	2016 £
Turnover analysed by geographical market		
United Kingdom	6,116,430	5,806,054

4 Operating profit

	2017 £	2016 £
Operating profit for the year is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	99,841	92,549
Depreciation of tangible fixed assets held under finance leases	-	7,762
Loss/(profit) on disposal of tangible fixed assets	159	(3,229)
Amortisation of intangible assets	97,422	95,172
Operating lease charges	167,663	93,290

5 Auditor's remuneration

	2017 £	2016 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	1,884	1,884
Audit of the financial statements of the company's subsidiaries	20,578	18,548
	22,462	20,432

6 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group 2017 Number	2016 Number	Company 2017 Number	2016 Number
Sales	90	93	-	-
Office and management	12	12	-	-
	102	105	-	-

HULL HAMPSHIRE ESTATES PLC AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

6 Employees

(Continued)

Their aggregate remuneration comprised:

	Group 2017 £	2016 £	Company 2017 £	2016 £
Wages and salaries	3,135,656	3,016,969	-	-
Social security costs	264,700	288,789	-	-
Pension costs	38,298	40,431	-	-
	<u>3,438,654</u>	<u>3,280,067</u>	<u>-</u>	<u>-</u>

7 Interest receivable and similar income

	2017 £	2016 £
Interest income		
Interest on bank deposits	1,030	1,541
Other interest income	2,729	2,719
Total interest revenue	<u>3,759</u>	<u>4,260</u>
Income from fixed asset investments		
Income from shares in group undertakings	50,000	-
Total income	<u>53,759</u>	<u>4,260</u>

8 Interest payable and similar expenses

	2017 £	2016 £
Interest on bank overdrafts and loans	53,837	41,649
Interest on finance leases and hire purchase contracts	-	1,279
Other interest	(9)	(9)
Total finance costs	<u>53,828</u>	<u>42,919</u>

9 Taxation

	2017 £	2016 £
Current tax		
UK corporation tax on profits for the current period	148,584	122,930
Adjustments in respect of prior periods	(2,762)	38
Total current tax	<u>145,822</u>	<u>122,968</u>

HULL HAMPSHIRE ESTATES PLC AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

9 Taxation (Continued)

Deferred tax

Origination and reversal of timing differences	19,350	13,468
	<u> </u>	<u> </u>
Total tax charge for the year	165,172	136,436
	<u> </u>	<u> </u>

The actual charge for the year can be reconciled to the expected charge based on the profit or loss and the standard rate of tax as follows:

	2017 £	2016 £
Profit before taxation	778,256	867,110
	<u> </u>	<u> </u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.26% (2016: 20.35%)	149,892	176,457
Tax effect of expenses that are not deductible in determining taxable profit	(11,542)	1,148
Change in unrecognised deferred tax assets	19,350	13,468
Permanent capital allowances in excess of depreciation	1,800	6,356
Effect of revaluations of investments	15,302	(61,050)
Other permanent differences	-	19
Under/(over) provided in prior years	-	38
Dividend income	(9,630)	-
	<u> </u>	<u> </u>
Taxation charge for the year	165,172	136,436
	<u> </u>	<u> </u>

10 Dividends

	2017 £	2016 £
Interim paid	30,549	29,950
	<u> </u>	<u> </u>

11 Intangible fixed assets

Group	Goodwill £
Cost	
At 1 January 2017 and 31 December 2017	1,830,436
	<u> </u>
Amortisation and impairment	
At 1 January 2017	474,244
Amortisation charged for the year	97,422
	<u> </u>
At 31 December 2017	571,666
	<u> </u>

HULL HAMPSHIRE ESTATES PLC AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

11 Intangible fixed assets

(Continued)

Carrying amount

At 31 December 2017

1,258,770

At 31 December 2016

1,356,193

The company had no intangible fixed assets at 31 December 2017 or 31 December 2016.

HULL HAMPSHIRE ESTATES PLC AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

12 Tangible fixed assets

Group	Land and buildings Freehold £	Land and buildings Leasehold £	Office equipment £	Fixtures and fittings £	Motor vehicles £	Total £
Cost						
At 1 January 2017	4,355,441	15,000	287,963	652,195	350,857	5,661,456
Additions	440,372	-	5,559	47,548	54,154	547,633
Disposals	-	-	-	-	(11,100)	(11,100)
Revaluation	69,548	-	-	-	-	69,548
At 31 December 2017	4,865,361	15,000	293,522	699,743	393,911	6,267,537
Depreciation and impairment						
At 1 January 2017	41,612	15,000	199,217	392,294	247,157	895,280
Depreciation charged in the year	3,151	-	15,366	42,025	39,299	99,841
Eliminated in respect of disposals	-	-	-	-	(10,441)	(10,441)
At 31 December 2017	44,763	15,000	214,583	434,319	276,015	984,680
Carrying amount						
At 31 December 2017	4,820,598	-	78,939	265,424	117,896	5,282,857
At 31 December 2016	4,313,829	-	55,903	292,744	103,700	4,766,176

The company had no tangible fixed assets at 31 December 2017 or 31 December 2016.

HULL HAMPSHIRE ESTATES PLC AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

12 Tangible fixed assets

(Continued)

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	Group 2017 £	2016 £	Company 2017 £	2016 £
Motor vehicles	-	23,286	-	-
Depreciation charge for the year in respect of leased assets	-	7,762	-	-

13 Fixed asset investments

	Notes	Group 2017 £	2016 £	Company 2017 £	2016 £
Investments in subsidiaries	14	-	-	2,123,107	2,123,107
Unlisted investments		27,000	27,000	27,000	27,000
		27,000	27,000	2,150,107	2,150,107

Movements in fixed asset investments

Group	Investments other than loans £
Cost or valuation	
At 1 January 2017 and 31 December 2017	27,000
Carrying amount	
At 31 December 2017	27,000
At 31 December 2016	27,000

HULL HAMPSHIRE ESTATES PLC AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

13 Fixed asset investments

(Continued)

Movements in fixed asset investments

Company	Shares in group undertakings	Other investments other than loans	Total
	£	£	£
Cost or valuation			
At 1 January 2017 and 31 December 2017	2,123,107	27,000	2,150,107
Carrying amount			
At 31 December 2017	2,123,107	27,000	2,150,107
At 31 December 2016	2,123,107	27,000	2,150,107

14 Subsidiaries

Details of the company's subsidiaries at 31 December 2017 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct Indirect
Hull Hampshire Estate Services Limited	England	Estate agents t/a Field Palmer	Ordinary	100.00
Pearsons Consultant Surveyors Limited	England	Property surveying	Ordinary	100.00
Pearsons Land and New Homes Limited	England	Sale of land and new homes	Ordinary	100.00
Pearsons Partnerships Limited	England	Administration of franchises	Ordinary	100.00
Pearsons Southern Limited	England	Estate agents	Ordinary	100.00
Saltmarsh Estate Agents Limited	England	Dormant company	Ordinary	100.00
West End Land Company Limited	England	Ownership of property occupied by group companies	Ordinary	100.00

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.

HULL HAMPSHIRE ESTATES PLC AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

15 Financial instruments

	Group 2017 £	2016 £	Company 2017 £	2016 £
Carrying amount of financial assets				
Debt instruments measured at amortised cost	924,688	759,289	n/a	n/a
Equity instruments measured at cost less impairment	27,000	27,000	n/a	n/a
Carrying amount of financial liabilities				
Measured at amortised cost	2,718,729	2,687,199	n/a	n/a

As permitted by the reduced disclosure framework within FRS 102, the company has taken advantage of the exemption from disclosing the carrying amount of certain classes of financial instruments, denoted by 'n/a' above.

16 Debtors

	Group 2017 £	2016 £	Company 2017 £	2016 £
Amounts falling due within one year:				
Trade debtors	269,530	159,705	-	-
Corporation tax recoverable	27,417	27,417	27,417	27,417
Amounts owed by group undertakings	596,223	512,592	596,223	1,431,426
Other debtors	58,935	86,992	12,972	12,973
Prepayments and accrued income	178,405	263,126	-	-
	1,130,510	1,049,832	636,612	1,471,816

17 Creditors: amounts falling due within one year

	Notes	Group 2017 £	2016 £	Company 2017 £	2016 £
Bank loans and overdrafts	19	315,835	142,021	-	-
Obligations under finance leases	20	4,301	2,850	-	-
Other borrowings	19	24,000	24,000	-	-
Trade creditors		166,588	156,665	-	-
Amounts due to group undertakings		10,000	61,350	-	51,350
Amounts due to undertakings in which the group has a participating interest		62,543	15,000	-	-
Corporation tax payable		148,593	122,967	-	-
Other taxation and social security		300,435	260,472	-	-
Other creditors		272,939	350,663	257,811	332,615
Accruals and deferred income		133,534	128,525	4,417	4,417
		1,438,768	1,264,513	262,228	388,382

HULL HAMPSHIRE ESTATES PLC AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

18 Creditors: amounts falling due after more than one year

	Notes	Group 2017 £	2016 £	Company 2017 £	2016 £
Bank loans and overdrafts	19	1,617,637	1,685,125	-	-
Obligations under finance leases	20	14,352	-	-	-
Other borrowings	19	16,000	40,000	-	-
Other creditors		81,000	81,000	81,000	81,000
		<u>1,728,989</u>	<u>1,806,125</u>	<u>81,000</u>	<u>81,000</u>

19 Loans and overdrafts

		Group 2017 £	2016 £	Company 2017 £	2016 £
Bank loans		1,933,472	1,827,146	-	-
Other loans		40,000	64,000	-	-
		<u>1,973,472</u>	<u>1,891,146</u>	<u>-</u>	<u>-</u>
Payable within one year		339,835	166,021	-	-
Payable after one year		<u>1,633,637</u>	<u>1,725,125</u>	<u>-</u>	<u>-</u>

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

20 Finance lease obligations

	Group 2017 £	2016 £	Company 2017 £	2016 £
Future minimum lease payments due under finance leases:				
Within one year	<u>4,301</u>	<u>2,850</u>	<u>-</u>	<u>-</u>

HULL HAMPSHIRE ESTATES PLC AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

21 Deferred taxation

Deferred tax assets and liabilities are offset where the group or company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2017 £	Liabilities 2016 £
Group		
Accelerated capital allowances	78,091	34,746
Revaluations	(24,000)	-
	<u>54,091</u>	<u>34,746</u>

The company has no deferred tax assets or liabilities.

There were no deferred tax movements in the year.

22 Retirement benefit schemes

	2017 £	2016 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>38,298</u>	<u>40,431</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

23 Share capital

	Group and company 2017 £	2016 £
Ordinary share capital		
Issued and fully paid		
136,425 Ordinary Shares of £1 each	<u>136,425</u>	<u>136,425</u>

HULL HAMPSHIRE ESTATES PLC AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

24 Profit and loss reserves

	Group 2017 £	2016 £	Company 2017 £	2016 £
At the beginning of the year	4,659,626	3,958,779	2,456,567	2,150,326
As restated	4,659,626	3,958,779	2,456,567	2,150,326
Profit/(loss) for the year	613,084	730,674	(653,851)	336,191
Dividends	(80,549)	(29,950)	(30,549)	(29,950)
Transfer from revaluation reserve	(1)	123	-	-
At the end of the year	5,192,160	4,659,626	1,772,167	2,456,567

	Group 2017 £	2016 £	Company 2017 £	2016 £
Non-distributable profits included above				
At the beginning of the year	766,479	466,479	336,087	336,087
Transfer of non-distributable profits relating to prior periods	45,548	300,000	-	-
At the end of the year	812,027	766,479	336,087	336,087
Distributable profits	4,380,133	3,893,147	1,436,080	2,120,480

25 Controlling party

The ultimate controlling party is Mr P A H Grover.

HULL HAMPSHIRE ESTATES PLC AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

26 Cash generated from group operations

	2017 £	2016 £
Profit for the year after tax	613,084	730,674
Adjustments for:		
Taxation charged	165,172	136,436
Finance costs	53,828	42,919
Investment income	(53,759)	(4,260)
Loss/(gain) on disposal of tangible fixed assets	159	(3,229)
Fair value gains and losses on foreign exchange contracts and investment properties	(69,548)	(300,000)
Amortisation and impairment of intangible assets	97,422	95,172
Depreciation and impairment of tangible fixed assets	99,841	100,311
Movements in working capital:		
(Increase)/decrease in debtors	(80,677)	11,180
(Decrease) in creditors	(26,636)	(460,201)
Cash generated from operations	798,886	349,002

27 Cash generated from operations - company

	2017 £	2016 £
(Loss)/profit for the year after tax	(1,599,305)	336,191
Adjustments for:		
Taxation credited	(5,421)	-
Investment income	(302,701)	(352,709)
W/off of intercompany loans	945,454	-
Movements in working capital:		
Decrease in debtors	835,204	36,176
(Decrease) in creditors	(126,154)	(422,381)
Cash absorbed by operations	(252,923)	(402,723)