

Company Registration No. 2094289

**FG Properties Limited
(formerly FB Properties Limited)**

Report and Financial Statements

31 March 2010

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FG Properties Limited
(formerly FB Properties Limited)

Report and financial statements 2010

Contents	Page
Directors' report	1
Directors' responsibilities statement	3
Independent auditors' report	4
Profit and loss account	5
Reconciliation of movements in shareholders' deficit	6
Balance sheet	7
Notes to the financial statements	8

FG Properties Limited **(formerly FB Properties Limited)**

Directors' report

The directors have pleasure in submitting their annual report and financial statements for the year ended 31 March 2010

Principal activities

The principal activity of the company is that of property development

Business review

The Director's Report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption

Change of name

In January 2010, FB Properties Limited was renamed FG Properties Limited

Financial matters

The results for the year and prior year are given in the profit and loss account on page 5

The directors do not recommend payment of a final dividend (2009 - £nil)

Directors

The directors who held office throughout the year are as follows

D K Finch (resigned 1 May 2009)
J Carr (appointed 29 September 2009)
Sir M Lockhead
J E Maclennan
S Barrie
N K Chevis

Financial risk management

The company is exposed to financial risk through its financial assets and liabilities. The key financial risk is that the proceeds from financial assets are not sufficient to fund obligations as they fall due. The most important components of financial risk are interest rate risk, currency risk, credit risk, liquidity risk, cash flow risk and price risk.

Due to the nature of the company's business and the assets and liabilities contained within the company's balance sheet, the directors consider the only financial risk to be that the entity is not able to pay its intercompany liabilities as they fall due.

Key management mitigate these risks by monitoring of the company's financial position throughout the year.

The company does not manage its financial risk by the use of financial derivative instruments.

FG Properties Limited **(formerly FB Properties Limited)**

Directors' report (continued)

Going concern

After making appropriate enquiries, the Directors have considered the Going Concern assumption given the current economic climate and have formed the conclusion that there is a reasonable expectation that the company will continue in operational existence and have adequate resources in the foreseeable future. The Directors have considered the company forecasts and the financial commitment from the parent company in forming this judgement.

The parent company has provided the Directors of the company with a letter confirming that it will make available such funds as may be required to enable the company to meet its obligations for a period of at least 12 months from signing the financial statements. The Directors have made enquiries and understand that the parent company has adequate resources to be able to provide this financial support. Based on these enquiries and considerations, they continue to adopt the Going Concern basis in preparing the financial statements.

Audit information

Each of the persons who is a director at the date of approval of this report confirms that


- as far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provision of S418 of the Companies Act 2006.

Auditors

The company has passed an elective resolution dispensing with the requirement to appoint auditors annually. Deloitte LLP have indicated their willingness to continue as auditors of the company and are therefore deemed to be reappointed for a further term.

Approved by the Board of Directors
And signed by order of the Board


J Carr
Director

14 December 2010

FG Properties Limited (formerly FB Properties Limited)

Statement of directors' responsibilities

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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments 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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditors' report to the members of FG Properties Limited (formerly FB Properties Limited)

We have audited the financial statements of FG Properties Limited (formerly FB Properties Limited) for the period ended 31 March 2010 which comprise the profit and loss account, the balance sheet, the reconciliation of movement in shareholders' funds and the related notes 1 to 18. 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, 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 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2010 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the 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
- the directors were not entitled to take advantage of the small companies exemption in preparing the directors' report, or
- we have not received all the information and explanations we require for our audit.



Nigel Mercer (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
London, England

14 December 2010

FG Properties Limited
(formerly FB Properties Limited)

Profit and loss account
Year ended 31 March 2010

	Notes	2010 £'000	2009 £'000
Operating costs	2	(2,161)	(2,883)
Operating loss and loss on ordinary activities before taxation	5	(2,161)	(2,883)
Tax credit on loss on ordinary activities	6	564	1,437
Retained loss on ordinary activities after taxation and for the financial year	13	<u>(1,597)</u>	<u>(1,446)</u>

All activities relate to continuing operations

No separate statement of total recognised gains and losses is presented as all gains or losses for the current and preceding year passed through the profit and loss account

FG Properties Limited
(formerly FB Properties Limited)

Reconciliation of movement in shareholders' deficit
Year ended 31 March 2010

	2010 £'000	2009 £'000
Loss for the financial year	(1,597)	(1,446)
Net reduction in shareholders' deficit	(1,597)	(1,446)
Opening shareholders' deficit	(24,486)	(23,040)
Closing shareholders' deficit	(26,083)	(24,486)

FG Properties Limited
(formerly FB Properties Limited)

Balance sheet
31 March 2010

	Notes	2010 £'000	2009 £'000
Fixed assets			
Tangible assets	7	50,604	39,671
Current assets			
Stocks	8	1,215	2,018
Debtors	9	499	324
Cash at bank and in hand		-	5,527
		1,714	7,869
Creditors: amounts falling due within one year	10	(78,395)	(72,026)
Net current liabilities		(76,681)	(64,157)
Total assets less current liabilities		(26,077)	(24,486)
Provision for liabilities	11	(6)	-
Net liabilities		(26,083)	(24,486)
Capital and reserves			
Called up share capital	12	10	10
Profit and loss account	13	(26,093)	(24,496)
Shareholders' deficit		(26,083)	(24,486)

These financial statements (Company Registration Number 2094289) were approved by the Board of Directors on 14 December 2010 and were signed on its behalf by

J Carr
Director



FG Properties Limited

(formerly FB Properties Limited)

Notes to the financial statements

Year ended 31 March 2010

1. Accounting policies

The following accounting policies have been applied consistently throughout the current and preceding year

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards. The going concern basis has been applied as described in the going concern section of the Directors' Report.

Group financial statements

Under the provisions of section 401 of the Companies Act 2006, and in accordance with paragraphs 21b and 21c of Financial Reporting Standard 2, the company is exempt from preparing consolidated financial statements by virtue of the fact that the company is a subsidiary of another company which prepares Group financial statements. The financial statements therefore present information about the company as an individual undertaking and not as a group.

Cash flow statement

The company is a wholly owned subsidiary of FirstGroup plc, a company registered in Scotland. Accordingly, the company has taken advantage of the exemption offered by Financial Reporting Standard 1 enabling it not to produce a cash flow statement as the parent company has included a consolidated cash flow statement within its Group financial statements.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment.

Depreciation is provided to write off the cost less residual value of tangible fixed assets over their estimated useful economic lives as follows:

Other plant and equipment	- 3 to 8 years straight line
Freehold land and buildings	- 50 years straight line or over period of lease

Assets under construction are carried at cost. Depreciation commences when the assets are ready for their intended use.

Stocks

Stocks are valued at the lower of cost and net realisable value.

Taxation

UK corporation tax is provided at amounts expected to be paid (or recovered) using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

The taxation liability is reduced wholly or in part by the surrender of losses by group undertakings. The tax benefits arising from group relief are recognised in the financial statements of the surrendering undertaking.

The charge for taxation is based on the loss for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred taxation is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

FG Properties Limited
(formerly FB Properties Limited)

Notes to the financial statements
Year ended 31 March 2010

1. Accounting policies (continued)

Pension costs

Group scheme

The company is unable to separately identify its share of the scheme assets and liabilities. It therefore accounts for the scheme as if it were a defined contribution scheme and includes certain disclosures in the financial statements in respect of the Group scheme. Contributions are charged to the profit and loss account as they become payable.

2. Operating costs

	2010	2009
	£'000	£'000
Staff costs	1,292	1,294
External charges	860	1,578
Depreciation and other amounts written off		
Tangible fixed assets	11	11
	<u>2,161</u>	<u>2,883</u>

The audit fees for the year of £10,000 (2009: £10,000) have been borne by other group companies. There have been no non-audit fees in the current or prior periods.

3. Employee numbers and costs

The average number of persons employed by the company (including directors) during the year was as follows:

	2010	2009
	No.	No.
Administration	18	18

The aggregate payroll costs of these persons were as follows:

	2010	2009
	£'000	£'000
Wages and salaries	1,043	1,041
Social security costs	113	127
Other pension costs	136	126
	<u>1,292</u>	<u>1,294</u>

FG Properties Limited
(formerly FB Properties Limited)

Notes to the financial statements
Year ended 31 March 2010

4 Directors' remuneration

D K Finch (resigned 1 May 2009), Sir M Lockhead, J Carr and S Barrie are directors of FirstGroup plc, the ultimate parent company, and their emoluments and pension details are disclosed in the financial statements of that company

N K Chevis and J E Maclellan received remuneration from FirstGroup Holdings Limited in the current and prior years

It is not considered practicable to allocate this between services provided to that company and services provided in their capacity as directors to FG Properties Limited (formerly FB Properties Limited)

5. Operating loss and loss on ordinary activities before taxation

	2010 £'000	2009 £'000
Operating loss and loss on ordinary activities before taxation is stated after charging		
Depreciation and other amounts written off tangible fixed assets	11	11

6. Tax credit on loss on ordinary activities

	2010 £'000	2009 £'000
<i>Current taxation</i>		
Group relief receivable	(585)	(787)
Adjustment in respect of prior years	7	(646)
Total current taxation	(578)	(1,433)
<i>Deferred taxation</i>		
Origination and reversal of timing differences	14	(3)
Adjustment in respect of prior years	-	(1)
Total deferred taxation	14	(4)
Total tax credit on loss on ordinary activities	(564)	(1,437)

The standard rate of taxation for the year, based on the UK standard rate of corporation tax, is 28% (2009 28%) The actual current tax charge for the current and previous year differed from the standard rate for the reasons set out in the following reconciliation

	2010 %	2009 %
Standard rate of taxation	28.0	28.0
Expenses not deductible for tax purposes	(1.3)	(0.5)
Capital allowances in excess of depreciation	0.3	0.1
Prior year's tax charge	(0.3)	22.4
Current taxation rate for the year	26.7	50.0

FG Properties Limited
(formerly FB Properties Limited)

Notes to the financial statements
Year ended 31 March 2010

7. Tangible fixed assets

	Other plant and equipment £'000	Freehold land and buildings £'000	Assets under construction £'000	Total £'000
Cost or valuation				
At 1 April 2009	156	431	39,240	39,827
Additions	-	-	10,930	10,930
Revaluation	-	(22)	-	(22)
At 31 March 2010	156	409	50,170	50,735
Depreciation				
At 1 April 2009	156	-	-	156
Charge for the year	11	-	-	11
Revaluation	(36)	-	-	(36)
At 31 March 2010	131	-	-	131
Net book value				
At 31 March 2010	25	409	50,170	50,604
At 31 March 2009	-	431	39,240	39,671

8. Stocks

	2010 £'000	2009 £'000
Property development work in progress	1,215	2,018

These consist of professional fees related to ongoing site disposal activities and Compulsory Purchase Order negotiations

9 Debtors

	2010 £'000	2009 £'000
Amounts falling due within one year:		
Other debtors	499	135
Other prepayments and accrued income	-	181
Deferred tax asset (note 11)	-	8
	499	324

FG Properties Limited
(formerly FB Properties Limited)

Notes to the financial statements
Year ended 31 March 2010

10. Creditors

	2010	2009
	£'000	£'000
Amounts falling due within one year		
Amounts owed to group undertakings	78,344	69,890
Accruals and deferred income	51	2,136
	<u>78,395</u>	<u>72,026</u>

The ultimate holding company has given written assurances that it will provide sufficient financing as is necessary to enable the company to meet its third party liabilities as and when they fall due, and that neither FirstGroup plc nor its subsidiaries will require repayment of amounts owing to fellow group undertakings for a period of at least one year from the date of signing of these financial statements

11. Deferred taxation

The deferred tax asset is included in note 9 within debtors

	Deferred tax asset £'000
Asset/(liability) at 1 April 2009	8
Debited to the profit and loss account	(14)
Asset/(liability) at 31 March 2010	<u>(6)</u>

Deferred tax consists of the following amounts assets/(liabilities)

	2010	2009
	£'000	£'000
Depreciation (less than)/in excess of capital allowances	<u>(6)</u>	<u>8</u>

12. Called up share capital

	2010	2009
	£'000	£'000
Authorised, called up allotted and fully paid:		
8,000 ordinary "A" shares of £1 each (2009 8,000)	8,000	8,000
2,000 ordinary "B" shares of £1 each (2009 2,000)	2,000	2,000
	<u>10,000</u>	<u>10,000</u>

There are no differences between the rights attached to each class of share

FG Properties Limited
(formerly FB Properties Limited)

Notes to the financial statements
Year ended 31 March 2010

13. Reserves

	Profit and loss account £'000
At 31 March 2009	(24,496)
Retained loss for the year	(1,597)
	<hr/>
At 31 March 2010	(26,093)
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14. Commitments

The company had no capital or other commitments at 31 March 2010 or at 31 March 2009

15. Contingent liabilities

The company is a member of a Value Added Tax ("VAT") group covering a number of subsidiary undertakings. All members of the VAT group are jointly and severally liable in respect of any VAT owed to H M Customs & Excise.

The company is a member of a banking group covering a number of subsidiary undertakings. The amount of the bank overdraft guaranteed is £nil (2009: £nil).

16. Pension scheme

FirstGroup Flexible benefit scheme

The company is a member of the FirstGroup Flexible benefit scheme.

The company is unable to separately identify its share of the scheme assets and liabilities as contributions are set for the scheme as a whole rather than reflecting the underlying actuarial characteristics of the employees of the individual employer. It therefore accounts for the scheme as if it were a defined contribution scheme. Contributions are charged to the profit and loss account as they become payable.

The deficit on the scheme of £4.3m (2009: deficit £0.9m) will affect the company through periodic adjustments to the company's contribution rate as determined by the actuary. Additional disclosures required under Financial Reporting Standard 17 have been made on a group basis in the accounts of FirstGroup plc.

The total pension cost in relation to the scheme during the year was £1.7m (2009: £1.1m), all of which related to defined benefit schemes.

The total pension cost in relation to the company in the year was £136,000 (2009: £126,000), all of which related to defined benefit schemes.

FG Properties Limited
(formerly FB Properties Limited)

Notes to the financial statements
Year ended 31 March 2010

17. Related party transactions

The company is taking advantage of the exemption under FRS8 *Related Party Disclosures* not to disclose transactions with group companies that are related parties

18. Ultimate parent company

The directors regard FirstGroup plc, a company incorporated in Great Britain and registered in Scotland, as the ultimate parent and controlling company, which is the smallest and largest group that includes the company's results and for which group financial statements are prepared

The company's immediate parent company is First Group Holdings Limited

Copies of the accounts of FirstGroup plc can be obtained on request from Ground Floor, 50 Eastbourne Terrace, London, W2 6LG