

Company Registration No. 02094289

FG Properties Limited

Annual Report and Financial Statements

For the year ended 31 March 2015

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FG Properties Limited

Annual Report and financial statements

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FG Properties Limited

Strategic report

The directors have pleasure in submitting the strategic report for the year ended 31 March 2015.

Principal activity and business review

The principal activity of the company is that of property development. There have not been any significant changes in the Company's principle activity in the year under review and no significant change in the Company's principle activity is expected.

Business review

The results for the year are given in the profit and loss account on page 6 which shows a loss for the financial year of £2,975,000 (2014: loss of £2,871,000). Expenses recognised within the profit and loss account represent staff and administrative costs less recharges to fellow group companies for services provided. The company has net liabilities of £38,387,000 at 31 March 2015 (2014: £35,412,000).

FirstGroup plc manages its operations on a divisional basis. For this reason, the company's directors believe that further key performance indicators for the company are not necessary or appropriate for understanding the development, performance or position of the business. The performance of the Group, which includes the company, is discussed in the Group's Annual Report which does not form part of this report and is publicly available.

The directors do not recommend payment of a dividend (2014: £nil).

Principal risks and uncertainties and 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 assets are not sufficient to fund obligations as they fall due.

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 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 through the use of financial derivative instruments.

Approved by the Board of Directors and signed on its behalf by:



Duncan Collie
Director

16 DECEMBER 2015
50 Eastbourne Terrace
Paddington
London
W2 6LG

FG Properties Limited

Directors' report

The directors have pleasure in submitting the annual report and the audited financial statements for the year ended 31 March 2015.

Results and dividends

The results for the year are given in the profit and loss account on page 6 which shows a loss for the financial year of £2,975,000 (2014: loss of £2,871,000). Expenses recognised within the profit and loss account represent staff and administrative costs less recharges to fellow group companies for services provided.

The directors do not recommend payment of a dividend (2014: £nil).

Directors

The directors who held office throughout the year and up to the date of this report are as follows:

D Collie	
C Surch	(resigned 1 December 2015)
T O'Toole	
J Maclellan	
N K Chevis	
M Gregory	(appointed 1 December 2015)

Going concern

At 31 March 2015, the company had net liabilities of £38,387,000 with the principal liability relating to intercompany balances of £71,478,000.

The ultimate parent company, FirstGroup plc, has provided the directors of the company with a letter confirming that repayment of the amounts due to group undertakings will not be sought for a period of at least 12 months from the date of this report to the detriment of other creditors. The ultimate parent company has also confirmed in writing 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 the date of signing these financial statements. The directors have made enquiries and understand that the ultimate 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.

Directors' and officers' liability insurance

Directors' and Officers' liability insurance is taken out by FirstGroup plc, the company's ultimate parent undertaking, for the benefit of the Directors and Officers of the Company.

Directors' indemnity

Qualifying third party indemnity provisions (as defined in section 234 of the companies Act 2006) were in force during the year and up to and including the date of the Directors' report for the benefit of the Directors of the Company

FG Properties Limited

Directors' report (continued)

Audit information

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

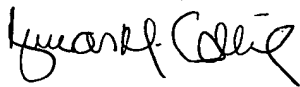
- As far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- The director has taken all the steps that ought to have been taken as a director in order to make the director aware of any relevant audit information and to establish that the company's auditor is aware of that information.

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

Auditor

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

Approved by the Board of Directors and signed on its behalf by:



Duncan Collie
Director

16 DECEMBER 2015

FG Properties Limited

Directors' Responsibilities Statement

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 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; 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.

Independent auditor's report to the members of FG Properties Limited

We have audited the financial statements of FG Properties Limited for the year ended 31 March 2015 which comprise the profit and loss account, the balance sheet, the reconciliation of movement in shareholder's deficit and the related notes 1 to 17. 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 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.

Respective responsibilities of directors and auditor

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 and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2015 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 Strategic Report and 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
- we have not received all the information and explanations we require for our audit.



Mark Tolley (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London
16 DECEMBER 2015

FG Properties Limited

Profit and loss account For the year ended 31 March 2015

	Notes	2015 £'000	2014 £'000
Net operating expenses	2	<u>(3,780)</u>	<u>(3,597)</u>
Operating loss on ordinary activities before taxation	5	<u>(3,780)</u>	<u>(3,597)</u>
Tax credit on loss on ordinary activities	6	<u>805</u>	<u>726</u>
Loss for the financial year	12	<u><u>(2,975)</u></u>	<u><u>(2,871)</u></u>

All activities relate to continuing operations.

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


FG Properties Limited

Balance sheet

As at 31 March 2015

	Notes	2015 £'000	2014 £'000
Fixed Assets			
Investments	7	-	-
Tangible assets	8	33,845	18,924
		<u>33,845</u>	<u>18,924</u>
Current Assets			
Debtors	9	143	384
		<u>143</u>	<u>384</u>
Creditors: amounts falling due within one year	10	(72,375)	(54,720)
Net current liabilities		<u>(72,232)</u>	<u>(54,336)</u>
Total assets less current liabilities/net liabilities		<u>(38,387)</u>	<u>(35,412)</u>
Capital and reserves			
Called up share capital	11	10	10
Profit and loss account	12	(38,397)	(35,422)
Shareholder's deficit		<u>(38,387)</u>	<u>(35,412)</u>

The financial statements of FG Properties Limited (Company Registration Number: 02094289) were approved by the Board of Directors and authorised for issue on ~~16 DECEMBER~~ 2015 and were authorised for issue and were signed on its behalf by:



Duncan Collie

Director

FG Properties Limited

Reconciliation of movement in shareholder's deficit Year ended 31 March 2015

	2015	2014
	£'000	£'000
Loss for the financial year	(2,975)	(2,871)
Increase in shareholder's deficit	(2,975)	(2,871)
Opening shareholder's deficit	(35,412)	(32,541)
Closing shareholder's deficit	<u>(38,387)</u>	<u>(35,412)</u>

FG Properties Limited

Notes to the financial statements

Year ended 31 March 2015

1. Accounting policies

The 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 United Kingdom applicable accounting standards. The going concern basis has been applied as described in the going concern statement within the Directors' Report.

Group Financial Statements

Under the provisions of section 400 of the Companies Act 2006, the company is exempt from preparing consolidated financial statements by virtue of the fact that the company is a subsidiary of FirstGroup plc which prepares group financial statements. These 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 (Revised 1996) "Cash flow statements" 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:

Freehold land and buildings	– 50 years straight-line
Plant and equipment	– 3 to 8 years straight-line

No depreciation is provided on freehold land. Assets under construction are carried at cost. Depreciation commences when the assets are ready for their intended use.

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 result 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 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.

Pension costs

Group scheme

The company is a member of the FirstGroup flexible benefit scheme. Under FRS 17 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 characteristics of the employees of the individual employer. 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.

Fixed asset investments

Fixed asset investments are shown at cost less provision for impairment.

FG Properties Limited
Notes to the financial statements
Year ended 31 March 2015

2. Net operating expenses

	2015	2014
	£'000	£'000
Staff costs (note 3)	1,408	1,471
Other expenses	2,725	2,647
Recharges	(354)	(526)
Depreciation – owned assets	1	5
	<u>3,780</u>	<u>3,597</u>

3. Employee numbers and costs

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

	2015	2014
	No.	No.
Administration	<u>19</u>	<u>19</u>

The aggregate payroll costs of these persons was as follows:

	2015	2014
	£'000	£'000
Wages and salaries	1,105	1,165
Social security costs	119	135
Other pension costs (note 15)	184	171
	<u>1,408</u>	<u>1,471</u>

FG Properties Limited
Notes to the financial statements
Year ended 31 March 2015

4. Directors' remuneration

Remuneration received by all other directors except for J E MacLennan, in relation to qualifying services for the current year, were £nil (2014: £nil). J E MacLennan received remuneration from FirstGroup Holdings Limited in the current and prior years in relation to qualifying services for this company and the details are as follows:

	2015 £'000	2014 £'000
Aggregate emoluments (excluding pension contributions)	256	281
Company pension contributions	30	39
	<u>286</u>	<u>320</u>

Directors' emoluments include salary, fees, bonuses, sums paid by way of expense allowances subject to UK income tax and the money value of other non-cash benefits and exclude share options, company pension contributions and payments made under long-term incentive schemes.

	2015 Number	2014 Number
The number of directors who:		
Are members of a defined benefit pension scheme	<u>1</u>	<u>1</u>

5. Operating loss on ordinary activities before taxation

	2015 £'000	2014 £'000
Operating loss on ordinary activities before taxation is stated after charging:		
Depreciation – assets owned	<u>1</u>	<u>5</u>

The audit fees for the year of £10,000 (2014: £10,000) have been borne by other group companies.

There have been no non-audit fees in the current and prior year.

6. Tax credit on loss on ordinary activities

	2015 £'000	2014 £'000
<i>Current taxation</i>		
Group relief surrendered	794	806
Adjustment in respect of prior years	11	(12)
Total current taxation	<u>805</u>	<u>794</u>
<i>Deferred taxation</i>		
Adjustment in respect of prior years	-	(68)
Total deferred taxation	<u>-</u>	<u>(68)</u>
Total tax credit on loss on ordinary activities	<u>805</u>	<u>726</u>

FG Properties Limited
Notes to the financial statements
Year ended 31 March 2015

6. Tax credit on loss on ordinary activities (continued)

The standard rate of taxation for the year, based on the UK standard rate of corporation tax, is 21% (2014: 23%). The actual current tax for the current and previous year differed from the standard rate for the reasons set out in the following reconciliation:

	2015	2014
	%	%
Standard rate of tax	21.0	23.0
<u>Factors affecting charge:</u>		
Disallowable expenses	-	(0.6)
Prior years' tax charge	0.3	(0.3)
	<u>21.3</u>	<u>22.1</u>
Current taxation rate for the year	<u>21.3</u>	<u>22.1</u>

During the period the UK government enacted legislation to reduce the main rate of UK corporation tax to 20% with effect from 1 April 2015.

7. Fixed asset investments

	Subsidiary undertakings unlisted shares £'000
Cost and net book value	
At 1 April 2014 and 31 March 2015	<u>-</u>

The subsidiary undertakings at the end of the year are:

Subsidiary name	Holding	%	Country of incorporation	Principal Activity
FirstGroup Construction Limited	Ordinary	100	England and Wales	Dormant

All shares held in subsidiary undertaking are ordinary shares.

FG Properties Limited
Notes to the financial statements
Year ended 31 March 2015

8. Tangible fixed assets

	Assets under construction £'000	Land and buildings £'000	Plant and equipment £'000	Total £'000
Cost				
At 1 April 2014	18,499	423	156	19,078
Additions	14,922	-	-	14,922
At 31 March 2015	<u>33,421</u>	<u>423</u>	<u>156</u>	<u>34,000</u>
Depreciation				
At 1 April 2014	-	-	154	154
Charge for the year	-	-	1	1
At 31 March 2015	<u>-</u>	<u>-</u>	<u>155</u>	<u>155</u>
Net book value				
At 31 March 2015	<u>33,421</u>	<u>423</u>	<u>1</u>	<u>33,845</u>
At 31 March 2014	<u>18,499</u>	<u>423</u>	<u>2</u>	<u>18,924</u>

Assets under construction, as at the 31 March 2015, comprise of one major redevelopment of a bus depot and various other minor capital projects undertaken on behalf of fellow FirstGroup companies. When a capital project has been completed it is then transferred to the relevant FirstGroup company, as represented by the transfers under the assets under construction column above.

The net book value of land and buildings comprises:

	2015 £'000	2014 £'000
Freehold	<u>423</u>	<u>423</u>

9. Debtors

	2015 £'000	2014 £'000
Amounts falling due within one year:		
Other debtors	95	149
Prepayments and accrued income	48	235
	<u>143</u>	<u>384</u>

FG Properties Limited
Notes to the financial statements
Year ended 31 March 2015

10. Creditors

	2015	2014
	£'000	£'000
Amounts falling due within one year		
Amounts owed to group undertakings	71,478	54,720
Other creditors	897	-
	<u>72,375</u>	<u>54,720</u>

Intercompany borrowings are interest free and repayable on demand.

11. Called up share capital

	2015	2014
	£'000	£'000
Allotted, called up and fully paid:		
8,000 ordinary "A" shares of £1 each	8	8
2,000 ordinary "B" shares of £1 each	2	2
	<u>10</u>	<u>10</u>

There are no differences between the two classes of shares.

12. Reserves

	Profit and loss account £'000
At 1 April 2014	(35,422)
Loss for the financial year	(2,975)
At 31 March 2015	<u>(38,397)</u>

13. Commitments

The company has capital commitments of £1,885,827 as at 31 March 2015 (2014: £10,415,000).

14. 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 HM Revenue & Customs.

The company is a member of a banking group covering a number of subsidiary undertakings. All members of the banking group are jointly and severally liable in respect of any amounts owed to HSBC Bank plc. The amount of bank overdraft guaranteed is £nil (2014: £nil).

FG Properties Limited
Notes to the financial statements
Year ended 31 March 2015

15. 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 £7.0m (2014: deficit £10.1m) 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 £184,000 (2014: £171,000), all of which related to defined benefit schemes. There were no amounts owing or prepaid as at 31 March 2015 (2014: £nil).

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. Contributions are charged to the profit and loss account as they become payable.

16. Related party transactions

The company is taking advantage of the exemption under FRS 8 "Related Party Disclosures" for related party transactions with other wholly owned group companies. The ultimate parent company, FirstGroup plc, has prepared consolidated financial statements which include the results of the company and are available to the public.

17. Ultimate parent company

FirstGroup plc, a company incorporated in Great Britain and registered in Scotland, is the ultimate parent and controlling company, which is also the smallest and largest group that includes the company and for which group financial statements are prepared. FirstGroup Holdings Limited is the company's immediate parent.

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