

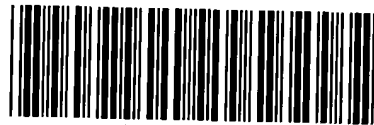
Company Registration No. 02094289

FG Properties Limited

Annual Report and Financial Statements

For the year ended 31 March 2018

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FG Properties Limited

Annual Report and financial statements

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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 2018. As FG Properties Limited is entitled to small companies exemption no strategic report has been prepared.

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 principal activity in the year under review and no significant change in the Company's principal activity is expected.

Results and dividends

The results for the year are given in the income statement on page 6 which shows a loss for the financial year of £124,000 (2017: loss of £16,000). Expenses recognised within the income statement represent staff and administrative costs less recharges to fellow group companies for services provided. During the year net liabilities decreased by £124,000 to £38,370,000 (2017: £38,246,000).

The directors do not recommend payment of a dividend (2017: £nil).

Directors

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

D Collie	
T O'Toole	(resigned 31 May 2018)
N K Chevis	
M Gregory	
R Maher	(resigned 8 May 2017)
S Parker	(appointed 8 May 2017)

Going concern

At 31 March 2018, the company had net liabilities of £38,370,000 with the principal liability relating to intercompany balances of £37,376,000. The ultimate parent company FirstGroup plc, has provided the directors of the company with a letter confirming that repayments of amounts due to group undertakings will not be sought for a period of at least 12 months from the date of this report. 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 parent company has adequate resources to be able to provide this financial support.

Accordingly, after making appropriate enquiries and considering the current economic climate, the directors have formed the conclusion that there is a reasonable expectation that the company will continue in operational existence and has adequate resources for the foreseeable future.

Principal risks and uncertainties and financial risk management

Due to the nature of the company's business and the assets and liabilities contained within the company's Statement of Financial Position, the directors consider the principal risk to be the solvency of its subsidiary investments.

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.

Key management mitigate these risks by monitoring of the company's financial position and that of its subsidiary investment throughout the year, coupled with consideration of relevant group forecasts and budgets for anticipated future performance.

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

EG Properties Limited

Directors' report (continued)

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.

Audit information

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

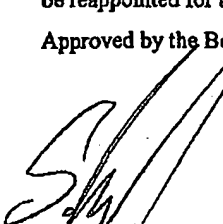
- As far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- The director has taken all the steps that ought to have been taken as a director in order to make the director aware of any relevant audit information and to establish that the company's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



Stuart Parker
Director
18 December 2018

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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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.

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

Opinion

In our opinion the financial statements of FG Properties Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of FG Properties Limited for the year ended 31 March 2018 which comprises the Income Statement, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 16. 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 Financial Reporting Council's (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 are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in 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 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.

We have nothing to report in respect of these matters.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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 respect of these matters.

Independent Auditor's Report (continued)

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 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 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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; or
- the directors were not entitled to take advantage of the small companies' exemptions in preparing a strategic report.

We have nothing to report in respect of these matters.

Use of our 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.



David Sweeney CA (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

Glasgow, United Kingdom

18 December 2018

FG Properties Limited

Income statement For the year ended 31 March 2018

	Notes	2018 £'000	2017 £'000
Operating expenses	2	(1,248)	(1,359)
Other operating income		1,119	1,435
Operating (loss)/profit		(129)	76
Interest payable and similar charges	5	-	(89)
Loss before taxation		(129)	(13)
Tax on loss	6	5	(3)
Loss for the financial year		(124)	(16)

All activities relate to continuing operations.

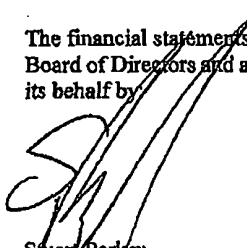
There are no recognised gains or losses other than those reflected in the income statement account for the current or preceding year. Accordingly, no separate statement of comprehensive income has been presented.

FG Properties Limited

Statement of financial position As at 31 March 2018

	Notes	2018 £'000	2017 £'000
Fixed Assets			
Investments	7	-	-
Tangible assets	8	541	682
		<u>541</u>	<u>682</u>
Current Assets			
Debtors	9	181	13
		<u>181</u>	<u>13</u>
Creditors: amounts falling due within one year	10	(39,092)	(38,941)
Net current liabilities		<u>(38,911)</u>	<u>(38,928)</u>
Net liabilities		<u>(38,370)</u>	<u>(38,246)</u>
Capital and reserves			
Called up share capital	11	10	10
Profit and loss account	11	(38,380)	(38,256)
Shareholder's deficit		<u>(38,370)</u>	<u>(38,246)</u>

The financial statements of FG Properties Limited (Company Registration Number: 02094289) were approved by the Board of Directors and authorised for issue on 18 December 2018 and were authorised for issue and were signed on its behalf by


Stuart Parker
Director

FG Properties Limited

Statement of changes in equity For the year ended 31 March 2018

	Share Capital £'000	Profit and loss account £'000	Total £'000
At 1 April 2016	10	(38,240)	(38,230)
Loss for the financial year	-	(16)	(16)
Total comprehensive income	10	(38,256)	(38,246)
At 31 March 2017	10	(38,256)	(38,246)
Loss for the financial year	-	(124)	(124)
Total comprehensive income	10	(38,380)	(38,370)
At 31 March 2018	10	(38,380)	(38,370)

FG Properties Limited

Notes to the financial statements

Year ended 31 March 2018

1. Accounting policies

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

General information and basis of accounting

FG Properties Limited is a company incorporated in the United Kingdom under the Companies Act 2006. The address of the registered office is 8th Floor The Point, 37 North Wharf Road, London, W2 1AF. FG Properties Limited is a private Company limited by shares and is registered in England and Wales. The nature of the company's operations and its principal activities are set out in the Directors' Report on page 1.

The financial statements for the year ended 31 March 2018 include the results and financial position for the Company for the 53 weeks ended 31 March 2018 and the financial statement for the year ended 31 March 2017 include the results and financial position of the Company for the 52 weeks ended 25 March 2017.

The functional currency of FG Properties Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the company operates. The financial statements are also presented in pounds sterling.

Basis of preparation

The financial statements have been prepared under the historical cost convention and on a going concern basis as described in the going concern statement in the Directors' Report on page 1 and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

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.

FG Properties Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available. Exemptions have been taken in relation to financial instruments, presentation of a cash flow statement and intra-group transactions.

Critical accounting judgements and key sources of estimation uncertainty

There are no critical accounting judgments or key sources of estimation uncertainty.

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.

FG Properties Limited
Notes to the financial statements (continued)
Year ended 31 March 2018

1. Accounting policies (continued)

Defined benefit schemes

The company participates in the FirstGroup Pension flexible benefit scheme for which FirstGroup Holdings Limited, a fellow group company, is legally responsible. This is a defined benefit scheme. Whilst the company and FirstGroup Holdings Ltd are under common control being subsidiaries of FirstGroup plc, FirstGroup Holdings Limited has recognised the net retirement benefit obligation in its individual financial statements which do not form part of this report. In accordance with FRS 102.28.38, the company has recognised a cost equal to its contribution payable for the period.

Fixed asset investments

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

Financial instruments

All financial assets and liabilities are recognised when the company becomes a party to the contractual provisions of the instrument and are measured at transaction price (including transaction cost).

2. Operating expenses

	2018	2017
	£'000	£'000
Staff costs (note 3)	827	868
Other expenses	395	465
Rentals payable under operating leases	26	26
	<u>1,248</u>	<u>1,359</u>

Other operating income of £1,119,000 (2017: £1,435,000) represent management recharges to other Group subsidiary undertakings in respect of costs incurred from acting as a property management and administration company for the group.

Fees for the audit of the financial statements for the year of £7,500 (2017: £7,500) have been borne by other group companies. There have been no non-audit fees in the current and prior year

3. Employee numbers and costs

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

	2018	2017
	No.	No.
Administration	<u>10</u>	<u>10</u>

The aggregate payroll costs of these persons was as follows:

	2018	2017
	£'000	£'000
Wages and salaries	649	694
Social security costs	87	78
Other pension costs (note 14)	91	96
	<u>827</u>	<u>868</u>

FG Properties Limited
Notes to the financial statements (continued)
Year ended 31 March 2018

4. Directors' remuneration

Remuneration received by all other directors except for Mr R Maher and Mr S Parker received remuneration from other First Group companies, in relation to qualifying services for the current year. Details of retirement benefits accruing to the directors under the group defined benefit schemes are detailed in the financial statements of FirstGroup plc.

The remuneration of the directors remunerated by the company during the year was as follows:

	2018 £'000	2017 £'000
Aggregate emoluments (excluding pension contributions)	267	190
Compensation for loss of office	65	27
Company pension contributions	12	46
Excess retirement benefits of directors	-	77
	<u>344</u>	<u>340</u>

	2018 Number	2017 Number
The number of directors who: Are members of a defined benefit pension scheme	<u>1</u>	<u>0</u>

Directors' emoluments include salary, fees, bonuses, company contributions to money purchase pension schemes, 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, other company pension contributions and payments made under long-term incentive schemes.

5. Interest payable and similar charges

	2018 £'000	2017 £'000
Notional interest on unwinding of discount on onerous lease	<u>-</u>	<u>89</u>

FG Properties Limited
Notes to the financial statements (continued)
Year ended 31 March 2018

6. Taxation

	2018 £'000	2017 £'000
Current taxation		
- Group relief surrendered	(27)	(1)
- Adjustment in respect of prior years	23	4
Total current taxation	(4)	3
Deferred taxation		
Origination and reversal of timing differences	2	-
Adjustment in respect of prior year	(3)	-
Total deferred taxation	(1)	-
Total tax (credit)/charge on loss	(5)	3

The standard rate of taxation for the year, based on the UK standard rate of corporation tax, is 19% (2017: 20%). The UK Government has enacted legislation to reduce the main rate of UK corporation tax to 17% from 1 April 2020. The actual current tax credit for the current and previous year differed from the standard rate for the reasons set out in the following reconciliation:

	2018 £'000	2017 £'000
Loss before tax	(129)	(13)
Loss multiplied by the standard rate of Corporation Tax in the UK of 19% (2017: 20%)	(25)	(3)
Factors affecting charge/(credit)		
- Expenses not adjustable for tax	-	2
- Prior year adjustments	20	4
Total tax (credit)/charge on loss	(5)	3

7. Fixed asset investments

	Subsidiary undertakings unlisted shares £'000
Cost and net book value At 1 April 2017 and 31 March 2018	-

The subsidiary undertakings at the end of the year are:

Subsidiary name	Holding %	Country of incorporation	Principal Activity
FirstGroup Construction Limited 8 th Floor The Point, 37 North Wharf Road, London, W2 1AF	Ordinary 100	England and Wales	Dormant

All shares held in subsidiary undertaking are ordinary shares.

FG Properties Limited
Notes to the financial statements (continued)
Year ended 31 March 2018

8. Tangible fixed assets

	Assets under construction £'000	Land and Buildings £'000	Plant and equipment £'000	Total £'000
Cost				
At 1 April 2017	222	423	192	837
Additions	4,708	-	-	4,708
Transfers to Group undertakings	(4,849)	-	-	(4,849)
Disposals	-	-	(105)	(105)
At 31 March 2018	81	423	87	591
Depreciation				
At 1 April 2017	-	-	155	155
Disposals	-	-	(105)	(105)
At 31 March 2018	-	-	50	50
Net book value				
At 31 March 2018	81	423	37	541
At 31 March 2017	222	423	37	682

Assets under construction, as at the 31 March 2018 various 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.

	2018	2017
The net book value of land and buildings comprises:	£'000	£'000
Freehold	423	423

FG Properties Limited
Notes to the financial statements (continued)
Year ended 31 March 2018

9. Debtors

	2018	2017
	£'000	£'000
Amounts falling due within one year:		
Other debtors	-	12
Amounts owed by group undertakings	173	-
Group relief	5	1
Deferred tax asset	1	-
Prepayments and accrued income	2	-
	<u>181</u>	<u>13</u>

The deferred tax asset has been recognised because it is anticipated that the tax deductions generated by the reversal of the timing differences will be offset against future taxable profits of the company/group undertakings by way of group relief.

Intercompany balances are interest free and repayable on demand.

10. Creditors

	2018	2017
	£'000	£'000
Amounts falling due within one year:		
Trade creditors	334	-
Amounts owed to group undertakings	37,376	37,402
Other creditors	1,382	1,539
	<u>39,092</u>	<u>38,941</u>

Intercompany balances are interest free and repayable on demand.

11. Called up share capital and reserves

	2018	2017
	£'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 classes of shares

The company's other reserves are as follows:

The profit and loss reserve represents cumulative profits and losses net of dividends paid and other adjustments.

12. Commitments

The company has capital commitments of £nil as at 31 March 2018 (2017: £nil).

13. 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 (2017: £nil).

FG Properties Limited
Notes to the financial statements (continued)
Year ended 31 March 2018

14. Pension scheme

FirstGroup Flexible benefit scheme

The company is a member of the FirstGroup flexible benefit scheme. This is a defined benefit scheme, the assets and liabilities of which are administered in funds independent from those of the company.

The surplus on the scheme of £11.8m (2017: surplus £13.9m) will affect the company through periodic adjustments to the company's contribution rate as determined by the actuary.

The total pension cost in relation to the scheme during the year was £91,000 (2017: £96,000), all of which related to defined benefit schemes. There were no amounts owing or prepaid as at 31 March 2018 (2017: £nil).

15. 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 the registered address 395 King Street, Aberdeen, AB24 5RP.

16. Related party transactions

The company is taking advantage of the exemption under FRS 102 (para 33.1A) "Disclosure of 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.