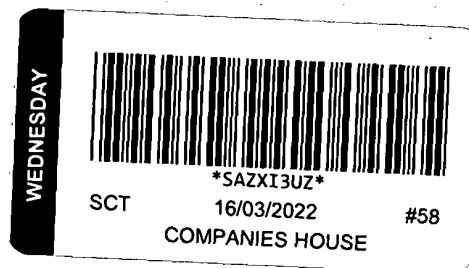
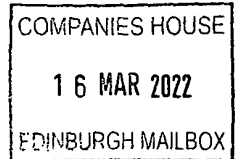


Company Registration No. 02094289

FG Properties Limited

Annual Report and Financial Statements

For the year ended 27 March 2021



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 27 March 2021. 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 to develop properties which will then be used by UK trading entities of First Group. 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.

The Directors have considered the events and implications of Brexit up to the date of signing and do not consider there to be a material impact on the Company.

The principal risks and uncertainties and the financial risk management of the Group is discussed in detail in the Group's Annual Report for the year to 27 March 2021 which does not form part of this report and is publicly available.

Events after the reporting period

The impact of the coronavirus pandemic on the company's operations is discussed within the future developments section on page 2.

Subsequent to the balance sheet date, the company has monitored the business performance, internal actions, as well as other relevant external factors (such as changes in any of the government restrictions and policy guidance). No adjustments to the key estimates and judgements that impact the balance sheet as at 27 March 2021 have been identified.

Results and dividends

The results for the year are given in the income statement on page 8 which shows a loss for the financial year of £60,000 (2020: loss of £186,000). 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 increased by £60,000 to £38,481,000 (2020: £38,421,000).

The directors do not recommend payment of a dividend (2020: £nil).

Directors

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

D Collie

S Parker

N K Chevis Resigned 1 February 2021

Going concern

At 27 March 2021, the company had net liabilities of £38,481,000 with the principal liability relating to intercompany balances of £36,422,000.

FirstGroup plc has provided the directors of the company with a letter confirming that it will provide support to the company, such that it is able to meet its obligations for a period of at least 12 months from the date of signing of 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. This has been taken into account in the going concern assessment for the company.

The directors of the company also noted from the Group's full year results for the 52 weeks ended 27 March 2021 that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for at least the 12 month period from the date on which the Group financial statements were approved. The Group considered whether any material uncertainties exist that cast doubt on the Group's ability to continue as a going concern over the next 12 months, and in particular whether any of the circumstances giving rise to the material uncertainties at the 2020 year-end still existed. Consistent with prior years, the Group's going concern assessment was based on a review of future trading projections, including whether the amended banking covenants are likely to be met and whether there is sufficient committed facility headroom to accommodate future cash flows for the going concern period. Further, the company has access to the FirstGroup plc's overdraft facility and receives a letter of support from the Group.

FG Properties Limited

Directors' report

Going concern (continued)

After making appropriate enquiries and considering the current economic climate, taking into consideration the group support and the funding received as noted in the events after the reporting period, the directors 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.

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 recoverability of its investments and intercompany debtors as they fall due.

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 forecasts and budgets for anticipated future performance.

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

The principal risks and uncertainties and the financial risk management of the Group is discussed in detail in the Group's Annual Report for the year to 27 March 2021 which does not form part of this report and is publicly available.

Future developments

The COVID-19 outbreak is affecting the operations of the Group and its subsidiaries. This is discussed in detail in the Group's Annual Report for the year to 27 March 2021 which does not form part of this report and is publicly available.

It is not currently possible to predict the full potential impact of the COVID-19 outbreak but management currently have no significant doubt about the future of the company and expects the general level of activity to return to historic levels in the forthcoming years.

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.

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Under company law, 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

FG Properties Limited

Directors' report

Statement of directors' responsibilities in respect of the financial statements (continued)

The directors are 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 also 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.

Directors' confirmations

In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves 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 provisions of S418 of the Companies Act 2006.

The company has passed an elective resolution dispensing with the requirement to appoint auditors annually. The Company has appointed PricewaterhouseCoopers LLP as the Company's Independent Auditor for the year ending 27 March 2021 following a formal tender process.

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



Duncan Collie
Director

14 March 2022

8th Floor The Point
37 North Wharf Road
London
W2 1AF

Independent auditors' report to the directors of FG Properties Limited

Report on the audit of the financial statements

Opinion

In our opinion, FG Properties Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 27 March 2021 and of its loss for the 52 week period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the statement of financial position as at 27 March 2021; the income statement and statement of changes in equity for the period then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' report for the period ended 27 March 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

Auditors' 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 auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to tax legislation and employment laws, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the

financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate accounting entries to manipulate financial results and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- discussions with management in consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- auditing certain unusual or unexpected journal entries to improve financial performance; and
- auditing accounting estimates for potential management bias

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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 auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's directors as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: prepare financial statements in accordance with the small companies regime; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Matthew Mullins (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Watford
14 March 2022

FG Properties Limited
Income Statement
Year ended 27 March 2021

	Note	2021 £'000	2020 £'000
Operating expenses	2	(856)	(1,766)
Other operating income	2	821	1,561
Operating loss		<u>(35)</u>	<u>(205)</u>
Loss before tax		(35)	(205)
Tax on loss	5	(25)	19
Loss for the financial year		<u>(60)</u>	<u>(186)</u>

All activities relate to continuing operations.

There are no recognised gains, losses, other comprehensive income or expenses 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 27 March 2021

	Note	2021 £'000	2020 £'000
Fixed Assets			
Tangible assets	7	376	536
Investments	6	-	-
		<u>376</u>	<u>536</u>
Current Assets			
Debtors: amounts falling due within one year	8	1,737	3,310
		<u>1,737</u>	<u>3,310</u>
Creditors: amounts falling due within one year	9	(40,594)	(42,267)
Net current liabilities		<u>(38,857)</u>	<u>(38,957)</u>
Net liabilities		<u>(38,481)</u>	<u>(38,421)</u>
Capital and reserves			
Called up share capital	10	10	10
Profit and loss account	10	(38,491)	(38,431)
Total shareholders' deficit		<u>(38,481)</u>	<u>(38,421)</u>

The financial statements on pages 7 to 16 were approved by the Board of Directors on 14 March 2022 and signed on its behalf by:



Duncan Collie
Director

14 March 2022

FG Properties Limited

Statement of changes in equity For the year ended 27 March 2021

	Called up share capital £'000	Profit and loss account £'000	Total shareholders' deficit £'000
At 30 March 2019	10	(38,245)	(38,235)
Loss for the financial year	-	(186)	(186)
At 28 March 2020	10	(38,431)	(38,421)
Loss for the financial year	-	(60)	(60)
At 27 March 2021	10	(38,491)	(38,481)

FG Properties Limited

Notes to the financial statements (continued)

Year ended 27 March 2021

1. Accounting policies

The accounting policies have been applied consistently throughout the current and preceding year, with the exception of investment properties which are stated at fair value in the current year as detailed below.

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 27 March 2021 include the results and financial position for the Company for the 52 weeks ended 27 March 2021 and the financial statements for the year ended 28 March 2020 include the results and financial position of the Company for the 52 weeks ended 28 March 2020.

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, with the exception of freehold investment properties within tangible fixed assets which are stated at fair value, 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.

Going concern

At 27 March 2021, the company had net liabilities of £38,481,000 with the principal liability relating to intercompany balances of £36,422,000.

FirstGroup plc has provided the directors of the company with a letter confirming that it will provide support to the company, such that it is able to meet its obligations for a period of at least 12 months from the date of signing of 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. This has been taken into account in the going concern assessment for the company.

The directors of the company also noted from the Group's full year results for the 52 weeks ended 27 March 2021 that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for at least the 12 month period from the date on which the Group financial statements were approved. The Group considered whether any material uncertainties exist that cast doubt on the Group's ability to continue as a going concern over the next 12 months, and in particular whether any of the circumstances giving rise to the material uncertainties at the 2020 year-end still existed. Consistent with prior years, the Group's going concern assessment was based on a review of future trading projections, including whether the amended banking covenants are likely to be met and whether there is sufficient committed facility headroom to accommodate future cash flows for the going concern period. Further, the company has access to the FirstGroup plc's overdraft facility and receives a letter of support from the Group.

FG Properties Limited

Notes to the financial statements (continued)

Year ended 27 March 2021

1. Accounting policies (continued)

Going concern (continued)

After making appropriate enquiries and considering the current economic climate, taking into consideration the group support and the funding received as noted in the events after the reporting period, the directors 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.

Critical accounting judgements and key sources of estimation uncertainty

In the process of applying the accounting policies which are described above, the directors consider that there are no critical accounting judgements or key sources of estimation uncertainty.

Tangible fixed assets and depreciation

Plant and equipment 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:

Plant and equipment	– 3 to 8 years straight-line
---------------------	------------------------------

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

Investment Properties

Investment property are measured at fair value each year, with any change recognised in the profit and loss account.

Impairment of Assets

Assets are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss.

An asset impairment where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss previously recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

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.

Defined benefit scheme

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 which closed to further accrual on 5 April 2018.

Whilst the company and FirstGroup Holdings Limited 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.

FG Properties Limited
Notes to the financial statements (continued)
Year ended 27 March 2021

1. Accounting policies (continued)

Defined contribution scheme

Payments made to defined contribution retirement benefit schemes are charged and expensed as they fall due. There is no legal or constructive obligation to pay additional contributions into a defined contribution scheme if the fund has sufficient assets to pay all employees' benefits relating to service in current and prior periods.

Operating leases

Operating leases and the rental charges are taken to the income statement on a straight-line basis over the life of the lease.

Fixed asset investments

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

Financial instruments

Financial assets and liabilities are recognised in accordance with sections 11 and 12 of FRS102, when the company becomes a party to the contractual provisions of the instrument and are measured at transaction price (including transaction cost) and subsequently measured at amortised cost. 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 company after deducting all of its liabilities.

Finance costs

Finance costs of financial liabilities are recognised in the income statement over the term of such instruments at a constant rate on the carrying amount.

2. Operating expenses

	2021	2020
	£'000	£'000
Staff costs (note 3)	335	1,219
Other expenses	518	541
Depreciation (note 7)	-	5
Rentals payable under operating leases	3	1
	<u>856</u>	<u>1,766</u>

Other operating income of £821,000 (2020: £1,561,000) 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 £6,500 (2020: £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:

	2021	2020
	No.	No.
Administration	<u>4</u>	<u>13</u>

The aggregate payroll costs of these persons were as follows:

	2021	2020
	£'000	£'000
Wages and salaries	285	1,042
Social security costs	37	113
Other pension costs (note 13)	13	64
	<u>335</u>	<u>1,219</u>

FG Properties Limited
Notes to the financial statements (continued)
Year ended 27 March 2021

4. Directors' remuneration

All directors received remuneration from other First Group Companies except for Mr S Parker who received remuneration from FG Properties Limited 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:

	2021 £'000	2020 £'000
Aggregate emoluments (excluding pension contributions)	250	456
	<u>2021</u>	<u>2020</u>
The number of directors who:	Number	Number
Are members of a defined benefit pension scheme	-	-

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. Tax on loss

	2021 £'000	2020 £'000
- Group relief surrendered	(8)	(40)
- Adjustment in respect of prior years	33	23
Total current taxation	25	(17)
Deferred taxation		
Origination and reversal of timing differences	1	1
Impact on deferred tax of rate change	-	(1)
Adjustment in respect of prior year	(1)	(2)
Total deferred taxation	-	(2)
Total tax charge/(credit) on profit/(loss)	25	(19)

In the Spring Budget the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. Since the proposal to increase the rate to 25% had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements.

In the period commencing 28 March 2021, the net reversal of deferred tax asset is expected to decrease the corporation tax charge for the period by £2,000. This is primarily due to capital allowances.

There is no expiry date on timing differences, unused tax losses or tax credits.

FG Properties Limited
Notes to the financial statements (continued)
Year ended 27 March 2021

5. Tax on loss (continued)

The tax charge for the current and previous period differed from the standard rate for the reasons set out in the following reconciliation:

	2021	2020
	£'000	£'000
Loss before tax	(35)	(205)
Loss multiplied by UK standard rate of Corporation Tax of 19% (2020: 19%)	(7)	(39)
Factors affecting charge/(credit)		
- Expenses not adjustable for tax	-	-
- Impact on deferred tax of rate change	-	(1)
- Effect of decrease in tax rate on origination and reversal of timing differences	-	-
- Prior year adjustments	32	21
Total tax charge/(credit) on loss	<u>25</u>	<u>(19)</u>

6. Fixed asset investments

The subsidiary undertakings at the end of the year are:

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

All shares held in subsidiary undertaking are ordinary shares.

7. Tangible fixed assets

	Assets under construction	Investment Property	Plant and equipment	Total
	£'000	£'000	£'000	£'000
Cost or valuation				
At 29 March 2020	161	375	92	628
Additions	-	-	-	-
Transfer to group undertakings	(160)	-	-	(160)
At 27 March 2021	<u>1</u>	<u>375</u>	<u>92</u>	<u>468</u>
Accumulated depreciation				
At 29 March 2020	-	-	92	92
Depreciation	-	-	-	-
At 27 March 2021	<u>-</u>	<u>-</u>	<u>92</u>	<u>92</u>
Net book value				
At 27 March 2021	<u>1</u>	<u>375</u>	<u>-</u>	<u>376</u>
At 28 March 2020	<u>161</u>	<u>375</u>	<u>-</u>	<u>536</u>

Assets under construction, as at the 27 March 2021, include 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.

FG Properties Limited
Notes to the financial statements (continued)
Year ended 27 March 2021

7. Tangible fixed assets (continued)

Investment properties, which are all freehold, were revalued to fair value at 27 March 2021, based on a valuation undertaken by The Property Bureau, an independent estate agent valuer with extensive, recent experience in the location and class of the investment property being valued. The method of determining fair value based on the current property market and similar properties were considered in preparing the valuation. There are no restrictions on the realisability of investment property.

The net book value of investment properties comprises:	2021	2020
	£'000	£'000
Freehold	375	375

8. Debtors: amounts falling due within one year

	2021	2020
	£'000	£'000
Amounts falling due within one year:		
Trade debtors	-	36
Other debtors	220	375
Amounts owed by group undertakings	1,506	2,661
Group relief	-	55
Deferred tax asset	11	11
Prepayments and accrued income	-	2
VAT	-	170
	1,737	3,310

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.

9. Creditors: amounts falling due within one year

	2021	2020
	£'000	£'000
Amounts falling due within one year:		
Trade creditors	1,011	1,225
Bank loans and overdrafts	1,620	2,201
Group relief	25	-
Amounts owed to group undertakings	37,884	38,003
Other creditors	9	818
Accruals and deferred income	-	20
	40,549	42,267

Intercompany balances are interest free and repayable on demand.

10. Called up share capital and profit and loss account

	2021	2020
	£'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
	10	10

There are no differences between the classes of shares, neither carry the right to fixed income. 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.

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11. Commitments

The company has capital commitments of £nil as at 27 March 2021 (2020: £nil).

12. 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 RBS Bank Ltd.

13. 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. During the year this scheme closed to defined benefit accrual on 5 April 2018.

The surplus on the scheme of £24.0 million (2020: surplus £32.8million) 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 £nil (2020: £nil), all of which related to defined benefit schemes. There were no amounts owing or prepaid as at 27 March 2021 (2020: £nil).

14. 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.

15. 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.

16. Events after the reporting period

The impact of the coronavirus pandemic on the company's operations is discussed in the Director's Report.

Subsequent to the balance sheet date, the company has monitored the business performance, internal actions, as well as other relevant external factors (such as changes in any of the government restrictions and policy guidance). No adjustments to the key estimates and judgements that impact the balance sheet as at 27 March 2021 have been identified.