

MEAD PROPERTY MANAGEMENT SERVICES LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

31 December 2016

(Registered Number 02466543)



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Directors' Report

The Directors present their directors' report and the audited financial statements for the year ended 31 December 2016.

INTRODUCTION AND OVERVIEW

Mead Property Management Services is a private limited company incorporated in England & Wales, registered number 02466543.

Mead Property Management Services provided lettings management services to participants in the residential property market.

The Company made a profit before tax of £13,000 for the year (2015: £92,000).

On 31 October 2016, the Company's trade and assets were hived up into its immediate parent company, Peter Alan Limited, at net book value. As the Company no longer intends to trade the directors have no prepared the financial statements on a going concern basis.

DIRECTORS

The Directors who served during the year and up to the date of this report were:

A Barry (resigned 13 February 2017)
RS Shipperley (resigned 08 February 2017)
DC Livesey (resigned 08 February 2017)
DK Plmtree
RJ Twigg

DONATIONS

There were no charitable or political donations in the year (2015: £nil).

DISCLOSURE OF INFORMATION TO AUDITOR

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditors is aware of that information.

AUDITOR

Pursuant to Section 487 of the companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

The Company has taken advantage of the small companies' exemptions in presenting this directors' report.

By order of the board



RJ Twigg
Director

3 March 2017
Cumbria House
16-20 Hockliffe Street
Leighton Buzzard
Bedfordshire
LU7 1GN

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The Directors are responsible for preparing the Directors' 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 they have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and applicable law.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business. As explained in the Directors' report on page 3, the directors do not believe it is appropriate to prepare these financial statements on a going concern basis.

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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MEAD PROPERTY MANAGEMENT SERVICES LIMITED

We have audited the financial statements of Mead Property Management Services Limited for the year ended 31 December 2016 set out on pages 6 to 16. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU.

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.

Respective responsibilities of Directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www.frc.org.uk/auditscopeukprivate.

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 December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the EU; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter – non going concern basis of preparation

In forming our opinion on the financial statement, which is not modified in this respect, we have considered the adequacy of the disclosure made in note 1 to the financial statements which explains that the financial statements are now not prepared on the going concern basis for the reasons set out in the note.

Opinion on other matter prescribed by the Companies Act 2006

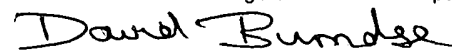
In our opinion the information given in the Directors' Report and Strategic Report for the financial year is consistent with the financial statements. Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Directors' Report and Strategic Report:

- We have not identified material misstatements in those reports; or
- In our opinion, those reports have been prepared in accordance with the Companies Act 2006.

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; or
- the directors were not entitled to take advantage of the small companies exemption in preparing the directors' report and were entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.



David Burridge (Senior Statutory Auditor) for and on behalf of KPMG LLP, Statutory Auditor

10 March 2017

Chartered Accountants
Altius House
One North Fourth Street
Milton Keynes
MK9 1NE

Income Statement

FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	Year ended 31 Dec 2016 £000	Year ended 31 Dec 2015 £000
Revenue	1	20	125
Administrative expenses		<u>(7)</u>	<u>(33)</u>
Profit from operations		13	92
Finance costs	3	<u>-</u>	<u>-</u>
Profit before tax		13	92
Taxation	5	<u>(3)</u>	<u>(19)</u>
Profit for the year		<u>10</u>	<u>73</u>

There were no recognised income and expense items in the current or preceding period other than those reflected in the above Income statement.

The notes on pages 10 to 16 form part of these financial statements.

Statement of Financial Position

AT 31 DECEMBER 2016

	Notes	31 December 2016 £000	31 December 2015 £000
Non-current assets			
Property, plant and equipment	6	-	-
Intangibles	7	-	-
Total non-current assets		-	-
Current assets			
Trade and other receivables	8	21	9
Cash and cash equivalents		-	222
Total current assets		21	231
Total assets		<u>21</u>	<u>231</u>
Current liabilities			
Trade and other payables	9	-	66
Tax liabilities		-	19
Total current liabilities		-	85
Total liabilities		-	85
Equity – attributable to equity holders of the company			
Share capital	10	21	21
Retained earnings	10	-	125
Total equity		21	146
Total equity and liabilities		<u>21</u>	<u>231</u>

These accounts were approved by the Board of Directors on 3 March 2017 and signed on its behalf by:



RJ Twigg
Director

Company registration number: 02466543

The notes on pages 10 to 16 form part of these accounts.

Statement of Changes in Equity

FOR THE YEAR ENDED 31 DECEMBER 2016

	Share Capital £000	Retained Earnings £000	Total Equity £000
Balance at 1 January 2016	21	125	146
Total income for the year	-	10	10
Dividends paid	-	(135)	(135)
Balance at 31 December 2016	<u>21</u>	<u>-</u>	<u>21</u>
Balance at 1 January 2015	21	52	73
Total income for the year	-	73	73
Balance at 31 December 2015	<u>21</u>	<u>125</u>	<u>146</u>

The notes on pages 10 to 16 form part of these financial statements.

Statement of Cash Flows

FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	Year ended 31 Dec 2016 £000	Year ended 31 Dec 2015 £000
Cash flows from operating activities			
Profit for the year		10	73
Adjustments for:			
Depreciation	2	-	-
Finance expense	3	-	-
Tax expense	5	3	19
Operating profit before changes in working capital and provisions		13	92
(Increase) / decrease in trade and other receivables		9	19
Decrease in intercompany payable		(63)	(107)
Decrease in trade and other payables		(3)	(3)
Cash (absorbed by)/ generated from operations		(44)	1
Interest paid		-	-
Tax paid		(19)	(20)
Net cash (outflow) / inflow from operating activities		(63)	(19)
Cash flows from financing activities			
Sale of business assets		(24)	-
Dividends paid		(135)	-
Net cash outflow from financing activities		(159)	-
Net decrease in cash and cash equivalents		(222)	(19)
Cash and cash equivalents at 1 January		222	241
Cash and cash equivalents at 31 December		-	222

The notes on pages 10 to 16 form part of these accounts.

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

Mead Property Management Services Ltd (the "Company") is a company incorporated, registered and domiciled in the UK. The following accounting policies have been applied consistently in these company accounts:

a) Basis of accounting

The Company's financial statements have been prepared and approved by the Directors in accordance with International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs") and effective as at 31 December 2016, and those parts of the Companies Act 2006 applicable to Companies reporting under IFRS.

The Company has applied the following changes in accounting standards during the year:

- Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38);
- Annual Improvements to IFRSs 2012 – 2014 cycle – various standards; and
- Disclosure Initiative (Amendments to IAS 1).

These amendments have had no material impact on these financial statements.

Disclosed below are the new IFRS and amendments which at 31 December 2016 have been endorsed by the EU but were not effective and have therefore not been applied in preparing these financial statements:

- Disclosure Initiative (Amendments to IAS 7);
- Recognition of Deferred Tax Assets for Unrealised Losses (Amendments to IAS 12);
- IFRS 15 Revenue from Contracts with Customers;
- IFRS 9 Financial Instruments; and
- IFRS 16 Leases.

The impact of the other IFRS and amendments is not expected to be material.

Measurement convention

These financial statements are prepared on the historical cost basis.

Currency presentation

These financial statements are presented in pounds sterling and, except where otherwise indicated, have been rounded to the nearest one thousand.

Going concern

Following the trade and assets of the company being transferred to Peter Alan Limited on 31 October 2016, the Company ceased to trade and so the financial statements are not prepared on the going concern basis. The departure from the going concern basis of accounting has no effect on the profit for the year or the year end Statement of Financial Position. The directors made the Company dormant on 31 October 2016.

b) Property, plant and equipment

Property, plant and equipment are stated in the Statement of Financial Position at cost less accumulated depreciation.

Depreciation is charged so as to write off the cost of assets over their estimated useful lives at the following rate:

Office equipment	-	10-15%
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All depreciation is charged on a straight-line basis.

c) Revenue recognition

Revenue, which excludes value added tax, represents total invoiced sales of the Company.

Property management income is recognised when cash has been received, which reflects the point when income is earned and contractual obligations have been fulfilled.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

1. Accounting policies *(continued)*

d) Leases

Costs of operating leases are charged to the Income Statement on a straight-line basis over the lease term.

e) Trade and other receivables

Trade and other receivables are stated at their nominal value (discounted if material) less any impairment.

f) Trade and other payables

Trade and other payables are stated initially at their fair value and then subsequently carried at amortised cost.

g) Taxation

Income tax on the result for the period comprises current tax and deferred tax. Income tax is recognised in the Income statement except where items are recognised directly in equity, in which case the associated income tax is recognised via equity.

Current tax is the expected tax payable on the taxable profit for the year, using tax rates enacted or substantially enacted on the period end date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the Statement of Financial Position liability method, which recognises temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. It is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which temporary differences reverse, based on tax rates and laws enacted or substantively enacted at the year end.

h) Employee benefits

The Company operates a group personal pension plan provided through another group company. Contributions are charged to the Income Statement as they become payable and are included in staff costs in accordance with the rules of the scheme.

i) Cash and cash equivalents

For the purpose of the Statement of Cash Flows, cash comprises cash in hand and loans and advances to credit institutions repayable on demand, and cash and cash equivalents comprise highly liquid investments that are convertible into cash with an insignificant risk of changes in value with original maturities of three months or less. The Statement of Cash Flows has been prepared using the indirect method.

j) Net financing costs

Interest income and interest payable are recognised in the Income Statement as they accrue, using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

2. Expenses and auditor's remuneration

	Year ended 31 Dec 2016 £000	Year ended 31 Dec 2015 £000
Profit before tax is stated after charging the following:		
Staff costs (see note 4)	-	25
Auditor's remuneration and expenses: Audit of these financial statements	<u>1</u>	<u>2</u>

3. Finance costs

	Year ended 2016 £000	Year ended 2015 £000
Interest payable	<u>-</u>	<u>-</u>

4. Staff numbers and costs

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

	Year ended 31 Dec 2016 No	Year ended 31 Dec 2015 No
Directors	5	5
Other	<u>-</u>	<u>1</u>
	<u>5</u>	<u>6</u>

The aggregate payroll costs of these persons was as follows:

	£000	£000
Wages and salaries	-	23
Social security costs	-	2
Other pension costs	<u>-</u>	<u>-</u>
	<u>-</u>	<u>25</u>

In the current and prior year all Directors are remunerated by other group companies, and do not receive any remuneration from Mead Property Management Services Limited.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

5. Taxation

	Year ended 31 Dec 2016 £000	Year ended 31 Dec 2015 £000
a) Analysis of expense in the year at 20% (2015: 20.25%)		
Current tax expense		
Current tax at 20% (2015: 20.25%)	3	19
Adjustment for prior years	-	-
Total current tax	<u>3</u>	<u>19</u>
Tax expense	<u>3</u>	<u>19</u>

b) Factors affecting current tax expense in the year.

The tax expense in the Income Statement is equal to (2015: higher) than the standard UK corporation tax rate because of the following factors:

	Year ended 31 Dec 2016 £000	Year ended 31 Dec 2015 £000
Profit before tax	13	92
Tax on profit at UK standard rate of 20% (December 2015: 20.25%)	3	19
Effects of:		
Expenses not deductible for tax purposes	-	-
Tax expense	<u>3</u>	<u>19</u>

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016.

6. Property, plant and equipment

	Office Equipment £000	Total £000
Cost		
At 1 January 2016	33	33
Transferred	(33)	(33)
At 31 December 2016	<u>-</u>	<u>-</u>
Accumulated depreciation and impairment		
At 1 January 2016	33	33
Transferred	(33)	(33)
At 31 December 2016	<u>-</u>	<u>-</u>
Carrying amounts		
At 1 January 2016	-	-
At 31 December 2016	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

6. Property, plant and equipment (continued)

	Office Equipment £000	Total £000
Cost		
At 1 January and 31 December 2015	<u>33</u>	<u>33</u>
Accumulated depreciation and impairment		
At 1 January and 31 December 2015	<u>33</u>	<u>33</u>
Carrying amounts		
At 1 January 2015	<u>-</u>	<u>-</u>
At 31 December 2015	<u>-</u>	<u>-</u>

7. Intangibles

	Goodwill £000
Cost	
At 1 January and 31 December 2016	<u>9</u>
Accumulated depreciation and impairment	
At 1 January and 31 December 2016	<u>9</u>
Carrying amounts	
At 1 January and 31 December 2016	<u>-</u>

	Goodwill £000
Cost	
At 1 January and 31 December 2015	<u>9</u>
Accumulated depreciation and impairment	
At 1 January and 31 December 2015	<u>9</u>
Carrying amounts	
At 1 January and 31 December 2015	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

8. Trade and other receivables

	31 Dec 2016 £000	31 Dec 2015 £000
Amounts owed by group undertakings	21	-
Prepayments and accrued income	-	9
	<u>21</u>	<u>9</u>

9. Trade and other payables

	31 Dec 2016 £000	31 Dec 2015 £000
Amounts owed to group undertakings	-	63
Other taxes and social security costs	-	3
	<u>-</u>	<u>66</u>

10. Share capital

	31 Dec 2016 £000	31 Dec 2015 £000
Allotted, called up and fully paid		
20,271 Ordinary A shares of £1 each	20	20
260 B to Z Ordinary Non-voting shares of £1 each	1	1
	<u>21</u>	<u>21</u>

Management of capital

Capital is considered to be the audited retained earnings, share premium, and ordinary share capital in issue.

	31 Dec 2016 £000	31 Dec 2015 £000
Capital		
Ordinary A and B shares	21	21
Retained earnings	-	125
	<u>21</u>	<u>146</u>

The Company's objectives when managing capital are:

- to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Company is not subject to externally imposed capital requirements other than the minimum share capital required by the Companies Act, with which it complies.

The capital position is reported to the Board regularly. The capital position is also given due consideration when corporate plans are prepared.

11. Related party transactions

The Company was recharged £2,000 (2015: £4,000) by its parent company during the year, for services provided. The closing inter-company receivable was £21,000 (2015 payable: £63,000).

12. Capital Commitments

There were no capital commitments at the year end (2015: £nil).

The Company has no commitments due under operating leases.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

13. Financial instruments

Financial risks

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability of another entity. The principal financial risks to which the Company is exposed are liquidity risk, market risk and credit risk and these are monitored on a regular basis by management. Each of these is considered below.

Liquidity risk

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due or can do so only at excessive cost. The Company's liquidity policy is to maintain sufficient liquid resources to cover imbalances and fluctuations in funding, to maintain solvency of the Company and to enable the Company to meet its financial obligations as they fall due. This is achieved through maintaining a prudent level of liquid assets and through rigorous management control of the growth of the business. The following are contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements:

	Carrying amount £000	Contractual cash flows £000	In not more than one month £000	In not more than 3 months £000	In more than 3 months but less than 1 year £000	In more than one year but not more than 5 years £000
Trade and other payables	-	-	-	-	-	-
Amounts owing to group companies	-	-	-	-	-	-
Total	-	-	-	-	-	-

There are no differences between the fair values of financial assets and liabilities and their carrying amounts showing in the Statement of Financial Position.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and currency risk.

Currency risk

The Company is not exposed to any currency risk as all transactions are denominated in Sterling.

Interest rate risk

The Company has no interest bearing liabilities.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. Management carefully manages its exposure to credit risk.

14. Ultimate parent undertaking

The Company is a wholly owned subsidiary of Peter Alan Limited, which is a wholly owned subsidiary of Connells Limited. The ultimate parent undertaking is Skipton Building Society, which is registered in the United Kingdom. The largest group in which the results are consolidated is that headed by Skipton Building Society. The smallest group is that headed by Connells Limited and the consolidated accounts of this Company are available to the public and can be obtained from:

Connells Limited
Cumbria House
16-20 Hockliffe Street
Leighton Buzzard
Bedfordshire
LU7 1GN