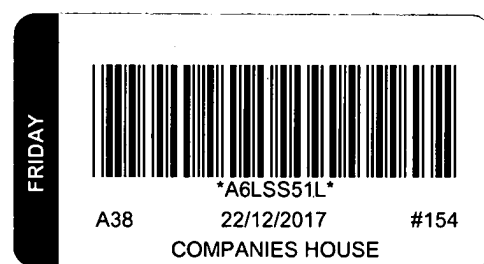


# Unaudited Financial Statements

## Maligues Properties Limited

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For the Year Ended 31 March 2017



**Registered number: 03475402**

**Maligues Properties Limited**

## Company Information

<b>Directors</b>	A P Mason C I Mason G O Mason
<b>Company secretary</b>	B D Harvey
<b>Registered number</b>	03475402
<b>Registered office</b>	The Corn Exchange Brunswick Street Liverpool L2 0PJ
<b>Accountants</b>	Grant Thornton UK LLP Chartered Accountants Royal Liver Building Liverpool L3 1PS
<b>Bankers</b>	The Royal Bank of Scotland plc 1 Dale Street Liverpool L2 2PP
<b>Solicitors</b>	Hill Dickinson LLP No. 1 St Paul's Square Liverpool L3 9SJ

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## Report to the directors on the preparation of the unaudited statutory financial statements of Maligues Properties Limited for the year ended 31 March 2017

We have compiled the accompanying financial statements of Maligues Properties Limited based on the information you have provided. These financial statements comprise the Statement of Financial Position of Maligues Properties Limited as at 31 March 2017 and the Statement of changes in equity and a summary of significant accounting policies and other explanatory information.

This report is made solely to the Board of Directors of Maligues Properties Limited, as a body, in accordance with the terms of our engagement letter dated 6 November 2017. Our work has been undertaken solely to prepare for your approval the financial statements of Maligues Properties Limited and state those matters that we have agreed to state to the Board of Directors of Maligues Properties Limited, as a body, in this report in accordance with our engagement letter dated 6 November 2017. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Maligues Properties Limited and its Board of Directors, as a body, for our work or for this report.

We performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised), Compilation Engagements.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of these financial statements in accordance with 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'. As a member firm of the Institute of Chartered Accountants in England and Wales, we are subject to its ethical and other professional requirements which are detailed at [www.icaew.com](http://www.icaew.com).

These financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these financial statements are prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

*Grant Thornton UK LLP*

**Grant Thornton UK LLP**

Chartered Accountants

Liverpool

Date: 21 December 2017

## Statement of Financial Position

As at 31 March 2017

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Tangible assets	6	4,653,500	4,653,500
<b>Current assets</b>			
Debtors: amounts falling due within one year	7	276,517	312,906
Cash at bank and in hand		19,936	18,198
		<u>296,453</u>	<u>331,104</u>
Creditors: amounts falling due within one year	8	(200,125)	(291,539)
<b>Net current assets</b>		<u>96,328</u>	<u>39,565</u>
<b>Total assets less current liabilities</b>		<u>4,749,828</u>	<u>4,693,065</u>
Creditors: amounts falling due after more than one year	9	(1,461,000)	(1,486,000)
		<u>3,288,828</u>	<u>3,207,065</u>
<b>Provisions for liabilities</b>			
Deferred taxation	10	(505,080)	(538,677)
		<u>(505,080)</u>	<u>(538,677)</u>
<b>Net assets</b>		<u><u>2,783,748</u></u>	<u><u>2,668,388</u></u>
<b>Capital and reserves</b>			
Called up share capital		1,000	1,000
Fair value reserve		2,992,649	2,992,649
Profit and loss account		(209,901)	(325,261)
		<u>2,783,748</u>	<u>2,668,388</u>

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The statement of comprehensive income and directors' report have not been delivered to the Registrar of Companies in accordance with the special provisions applicable to companies subject to the small companies regime

**Maligues Properties Limited**  
**Registered number:03475402**

## Statement of Financial Position (continued)

As at 31 March 2017

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



**A P Mason**  
Director

Date: 20/12/17

The notes on pages 5 to 13 form part of these financial statements.

# Statement of Changes in Equity

For the Year Ended 31 March 2017

	Called up share capital £	Fair value reserve £	Profit and loss account £	Total equity £
<b>At 1 April 2015</b>	<b>1,000</b>	<b>2,999,489</b>	<b>(392,342)</b>	<b>2,608,147</b>
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	195,741	195,741
Deficit on revaluation of investment property	-	-	6,840	6,840
<b>Other comprehensive income for the year</b>	-	-	6,840	6,840
<b>Total comprehensive income for the year</b>	-	-	202,581	202,581
Dividends: Equity capital	-	-	(135,500)	(135,500)
Transfer to/from profit and loss account	-	(6,840)	-	(6,840)
<b>Total transactions with owners</b>	-	(6,840)	(135,500)	(142,340)
<b>At 1 April 2016</b>	<b>1,000</b>	<b>2,992,649</b>	<b>(325,261)</b>	<b>2,668,388</b>
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	185,360	185,360
<b>Other comprehensive income for the year</b>	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	185,360	185,360
Dividends: Equity capital	-	-	(70,000)	(70,000)
<b>Total transactions with owners</b>	-	-	(70,000)	(70,000)
<b>At 31 March 2017</b>	<b>1,000</b>	<b>2,992,649</b>	<b>(209,901)</b>	<b>2,783,748</b>

# Notes to the Financial Statements

For the Year Ended 31 March 2017

## **1. General information**

The company is a private company limited by shares and is registered in England and Wales.

Registered Number: 03475402.

Registered office: The Corn Exchange, Brunswick Street, Liverpool, L2 0PJ

## **2. Accounting policies**

### **2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first time adoption of FRS 102 is given in note 12.

The following principal accounting policies have been applied:

### **2.2 Going concern**

The directors believe it is appropriate for the financial statements to be prepared on a going concern basis.

The company currently has a number of loans in place with shareholders and a loan facility with The Royal Bank of Scotland Plc. During 2015 the company re-financed the bank loan with The Royal Bank of Scotland Plc and took out a new facility of £1.5m which is repayable by eighteen quarterly instalments and a final instalment of £1.4m in December 2019.

The company's forecast and projections, taking into account reasonably possible changes in the company's trading performance show that the company should be able to operate within the level of the current facility, providing that the shareholders and related parties do not recall their loans in the foreseeable future. This has been confirmed by the individual shareholders and related parties.

Although there are inevitably inherent uncertainties in the foreseeable future and there can be no certainty in relation to certain of the above matters, the directors believe that the company's financial statements should be prepared on the going concern basis.

### **2.3 Turnover**

Turnover is the total amount of rent and other income receivable by the company, excluding VAT, and is attributable to the continuing activity of property investment. Turnover is recognised in the period to which it relates, taking into account provisions for lease incentives. Lease incentives are spread on a straight-line basis over the period to the first rent review date.

### **2.4 Investment Properties**

Investment properties are included in the Statement of financial position at their fair value in accordance with Financial Reporting Standard 102 Section for Smaller Entities (effective January 2015) and are not depreciated. This treatment is contrary to the Companies Act 2006 which states that fixed assets should be depreciated but is, in the opinion of the directors, necessary in order to give a true and fair view of the financial position of the company.



## **Notes to the Financial Statements**

**For the Year Ended 31 March 2017**

### **2. Accounting policies (continued)**

#### **2.5 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

#### **2.6 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

#### **2.7 Financial instruments**

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the statement of financial position date.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### **2.8 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

#### **2.9 Finance costs**

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

## **Notes to the Financial Statements**

**For the Year Ended 31 March 2017**

### **2. Accounting policies (continued)**

#### **2.10 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

#### **2.11 Interest income**

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

#### **2.12 Borrowing costs**

All borrowing costs are recognised in the Statement of comprehensive income in the year in which they are incurred.

#### **2.13 Provisions for liabilities**

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of comprehensive income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

# Notes to the Financial Statements

For the Year Ended 31 March 2017

## 2. Accounting policies (continued)

### 2.14 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the statement of financial position date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

## 3. Employees

During the year there was 3 employees (2016: 3) including the directors of the company.

## 4. Directors' remuneration

	2017	2016
	£	£
Directors' emoluments	<u>23,079</u>	<u>37,959</u>

## 5. Dividends

	2017	2016
	£	£
Dividends paid on equity capital at £70 (2016: £135.50) per share	<u>70,000</u>	<u>135,500</u>

## Notes to the Financial Statements

For the Year Ended 31 March 2017

### 6. Tangible fixed assets

	Investment properties £
<b>Valuation</b>	
At 1 April 2016	4,653,500
At 31 March 2017	<u>4,653,500</u>
At 31 March 2017	<u>-</u>
<b>Net book value</b>	
At 31 March 2017	<u><u>4,653,500</u></u>

In January 2015 the company's investment properties were revalued by an external surveyor. At 31 March 2017 the company's investment portfolio had been valued at £4,653,500 (2016: £4,653,500) on the basis of existing use open market value guided by an external valuation completed in January 2015.

The total historical cost of investment properties at 31 March 2017 was £1,660,851 (2016: £1,660,851).

# Notes to the Financial Statements

For the Year Ended 31 March 2017

## 7. Debtors

	2017 £	2016 £
Trade debtors	1,788	4,453
Amounts owed by related undertakings	221,294	242,279
Other debtors	49,575	60,545
Called up share capital not paid	200	200
Prepayments and accrued income	3,660	5,429
	<u>276,517</u>	<u>312,906</u>

## 8. Creditors: Amounts falling due within one year

	2017 £	2016 £
Bank loan	25,000	25,000
Trade creditors	1,529	5,735
Corporation tax	67,729	29,400
Other taxation and social security	10,830	11,950
Other creditors	-	144,044
Accruals and deferred income	95,037	75,410
	<u>200,125</u>	<u>291,539</u>

## 9. Creditors: Amounts falling due after more than one year

	2017 £	2016 £
Bank loan	<u>1,461,000</u>	<u>1,486,000</u>

### Secured loans

The bank loan is secured by a fixed charge over the investment properties.

The bank loan is repayable by eighteen equal quarterly instalments amounting to £6,250 followed by a final instalment of £1,417,250. Interest is charged at a rate of 2% above LIBOR.

# Notes to the Financial Statements

For the Year Ended 31 March 2017

## 10. Deferred taxation

	2017 £	2016 £
At beginning of year	(538,677)	(598,530)
Charged to profit or loss	33,597	59,853
<b>At end of year</b>	<b>(505,080)</b>	<b>(538,677)</b>

The provision for deferred taxation is made up as follows:

	2017 £	2016 £
Capital gain	(505,080)	(538,677)

## 11. Related party transactions

The directors of the company are also members of Mason Partners LLP. The company was charged £8,910 (2016: £9,692) during the year for management fees in connection with the company's properties and £5,000 (2016: £5,000) for accountancy fees.

At 31 March 2017 Mason Partners LLP owed Maligues Properties Limited £197,545 (2016: £18,168) in their capacity as managing agents which is included in amounts owed by related undertakings.. Also, an amount of £Nil (2016: £34,861) was owed to Maligues Properties Limited by Mason Partners LLP in respect of a loan. An amount of £Nil (2016: £480) was owed by Maligues Properties Limited to Mason Partners LLP which is included in trade creditors.

During the prior year, the company provided a loan to Mason Partners LLP of £160,500 which has been repaid during the current year.

A P Mason and G O Mason are also directors of Chase Property Developments Limited. At 31 March 2017 Chase Property Developments Limited owed Maligues Properties Limited £20,000 (2016: £20,000). This relates to an unsecured loan and is included within amounts due from related undertakings. Interest is charged at 2% above bank base rate, the charge for the year amounts to £500 (2016: £500). The interest accrued to date amounting to £4,298 (2016: £3,798) remains unpaid at 31 March 2017 and is included in other debtors.

A P Mason and C I Mason are also directors of Conky Properties Limited. At 31 March 2017, Conky Properties Limited owed Maligues Properties Limited £3,750 (2016: £3,750). This relates to an unsecured loan and is included within amounts due from related undertakings. No interest has been charged on this loan.

G O Mason, a director of the company, is also a member of Iliad Mason LLP. During a previous year the company provided a loan to Iliad Mason LLP amounting to £5,000. This has been paid during the current year.

During the previous year the following loans were made available to the company by its shareholders:

# Notes to the Financial Statements

**For the Year Ended 31 March 2017**

	<b>Balance at 31 March 2017 £</b>	<b>Interest payable by the company £</b>	<b>Balance as at 31 March 2016 £</b>	<b>Interest payable by the company £</b>
Caldea Pension Fund	-	-	140,769	5,436
C I Mason	-	-	3,175	-
	<u>-</u>	<u>-</u>	<u>143,944</u>	<u>5,436</u>

# Notes to the Financial Statements

For the Year Ended 31 March 2017

## 12. First time adoption of FRS 102

The Company transitioned to FRS 102 from previously extant UK GAAP as at 1 April 2015. The impact of the transition to FRS 102 is as follows:

### Reconciliation of equity at 1 April 2015

Equity at 1 April 2015 under previous UK GAAP	£ 3,206,677
Provision for deferred tax on revaluation surplus	(598,530)
<b>Equity shareholders funds at 1 April 2015 under FRS 102</b>	<b>2,608,147</b>

### Reconciliation of equity at 31 March 2016

Equity at 31 March 2016 under previous UK GAAP	£ 3,207,065
Provision for deferred tax on revaluation surplus	(538,677)
<b>Equity shareholders funds at 31 March 2016 under FRS 102</b>	<b>2,668,388</b>

### Reconciliation of profit and loss account for the year ended 31 March 2016

Profit for the year under previous UK GAAP	£ 142,728
Deferred tax on revaluation surplus	59,853
Deficit on revaluation of investment properties	(6,840)
<b>Profit for the year ended 31 March 2016 under FRS 102</b>	<b>195,741</b>

The following were changes in accounting policies arising from the transition to FRS 102:

- 1 Recognition of deferred tax on revaluation surplus and deficit on revaluation of investment properties accounted for in the statement of comprehensive income.