

REGISTERED NUMBER: 03514128 (England and Wales)

UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

FOR

ESTATES U.K. LIMITED

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FOR THE YEAR ENDED 30 JUNE 2017**

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ESTATES U.K. LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 30 JUNE 2017

DIRECTOR: A Miller

SECRETARY: Mrs C Miller

REGISTERED OFFICE: Unit 9
Waterside Business Park
Livingstone Road, Hessle
Hull
East Yorkshire
HU13 0EG

REGISTERED NUMBER: 03514128 (England and Wales)

ACCOUNTANT: Mark Carter - FCCA
Chartered Certified Accountant
Cavendish Cottage
Castle Keep
Hibaldstow
Brigg
North Lincolnshire
DN20 9JG

BALANCE SHEET
30 JUNE 2017

	Notes	2017 £	£	2016 £	£
FIXED ASSETS					
Tangible assets	5		45,651		3,150
Investment property	6		<u>31,278,222</u>		<u>29,891,253</u>
			31,323,873		29,894,403
CURRENT ASSETS					
Debtors	7	5,610,131		5,200,599	
Prepayments and accrued income		54,101		51,404	
Cash at bank and in hand		<u>427,981</u>		<u>247,038</u>	
		6,092,213		5,499,041	
CREDITORS					
Amounts falling due within one year	8	<u>624,609</u>		<u>349,348</u>	
NET CURRENT ASSETS			<u>5,467,604</u>		<u>5,149,693</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			36,791,477		35,044,096
CREDITORS					
Amounts falling due after more than one year	9		(9,845,698)		(9,829,800)
PROVISIONS FOR LIABILITIES			<u>(2,479,248)</u>		<u>(2,208,630)</u>
NET ASSETS			<u>24,466,531</u>		<u>23,005,666</u>
CAPITAL AND RESERVES					
Called up share capital			200		200
Fair value reserve	11		19,775,338		18,463,707
Retained earnings			<u>4,690,993</u>		<u>4,541,759</u>
SHAREHOLDERS' FUNDS			<u>24,466,531</u>		<u>23,005,666</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 30 June 2017.

The members have not required the company to obtain an audit of its financial statements for the year ended 30 June 2017 in accordance with Section 476 of the Companies Act 2006.

The director acknowledges his responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395
- (b) and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

BALANCE SHEET - continued
30 JUNE 2017

The financial statements have been prepared and delivered in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the director on 9 March 2018 and were signed by:

A Miller - Director

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

1. STATUTORY INFORMATION

Estates U.K. Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006.

3. ACCOUNTING POLICIES

BASIS OF PREPARING THE FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies.

The financial statements for the year ended 30 June 2017 are the first financial statements that comply with FRS 102. The date of transition is 1 July 2015. The nature of any transitional changes and their impact on opening equity and profit for the comparative period are explained in note 14.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies.

SIGNIFICANT JUDGEMENTS AND ESTIMATES

No significant judgements have had to be made by the director in preparing these financial statements.

The director has made key assumptions in the determination of fair value of investment properties in respect of the state of the property market in the location where the property is situated and in respect of the range of reasonable fair value estimates of the assets.

REVENUE

Revenue comprises the value of rental income receivable from the letting of investment property owned by the company and administration fees charged to tenants in respect of setting up new tenancy agreements. Revenue also includes commissions chargeable for the collection of rental income on behalf of other landlords.

Rental income is recognised on a time basis and is measured over the duration of each respective tenancy agreement, but is only recognised to the extent that it is probable that the economic benefits will flow to the Company, the amount of revenue can be reliably measured and it is probable that the company will receive the consideration due under the tenancy agreements.

Administration fees are recognised as they are charged. Commissions are deducted directly from payments made to landlords.

Revenue is measured as the fair value of the consideration received or receivable.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2017

3. ACCOUNTING POLICIES - continued

TANGIBLE FIXED ASSETS

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight line method.

Depreciation is provided on the following basis:

Motor vehicles - 20%

Plant and machinery - 25%

Fixtures and fittings - 25%

Computer equipment - 25%

The assets' residual values, useful lives and depreciation methods are reviewed and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of income and retained earnings.

INVESTMENT PROPERTY

Investment property is carried at fair value determined annually by the director and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. The company engage an independent valuer to assist the director in determining fair value, with a number of valuations of investment property being carried out each year.

Investment properties whose fair value can be measured reliably are recorded at fair value with any surplus or deficit on revaluation being recognised in the income statement accumulated in a non-distributable reserve.

No depreciation is charged on investment property.

TAXATION

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

DEFERRED TAX

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2017

3. ACCOUNTING POLICIES - continued**OPERATING LEASES**

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

PENSIONS

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

4. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 12 (2016 - 11) .

5. TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 July 2016	3,484	13,831	-	9,760	27,075
Additions	-	156	42,480	6,832	49,468
At 30 June 2017	<u>3,484</u>	<u>13,987</u>	<u>42,480</u>	<u>16,592</u>	<u>76,543</u>
DEPRECIATION					
At 1 July 2016	2,838	12,763	-	8,324	23,925
Charge for year	184	538	4,248	1,997	6,967
At 30 June 2017	<u>3,022</u>	<u>13,301</u>	<u>4,248</u>	<u>10,321</u>	<u>30,892</u>
NET BOOK VALUE					
At 30 June 2017	<u>462</u>	<u>686</u>	<u>38,232</u>	<u>6,271</u>	<u>45,651</u>
At 30 June 2016	<u>646</u>	<u>1,068</u>	<u>-</u>	<u>1,436</u>	<u>3,150</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2017

5. TANGIBLE FIXED ASSETS - continued

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Motor vehicles £
COST	
Additions	42,480
At 30 June 2017	<u>42,480</u>
DEPRECIATION	
Charge for year	4,248
At 30 June 2017	<u>4,248</u>
NET BOOK VALUE	
At 30 June 2017	<u>38,232</u>

6. INVESTMENT PROPERTY

	Total £
FAIR VALUE	
At 1 July 2016	29,891,253
Additions	2,000
Disposals	(35,031)
Revaluations	1,420,000
At 30 June 2017	<u>31,278,222</u>
NET BOOK VALUE	
At 30 June 2017	<u>31,278,222</u>
At 30 June 2016	<u>29,891,253</u>

Valuations were carried out by Clark Weightman Chartered Surveyors throughout the year.

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Trade debtors	29,649	29,179
Other debtors	5,580,482	5,171,420
	<u>5,610,131</u>	<u>5,200,599</u>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Hire purchase contracts	11,526	-
Trade creditors	38,254	39,132
Taxation and social security	152,677	159,155
Other creditors	422,152	151,061
	<u>624,609</u>	<u>349,348</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2017

9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2017	2016
	£	£
Bank loans	9,829,800	9,829,800
Hire purchase contracts	15,898	-
	<u>9,845,698</u>	<u>9,829,800</u>

10. SECURED DEBTS

The following secured debts are included within creditors:

	2017	2016
	£	£
Bank loans	9,829,800	9,829,800
Hire purchase contracts	27,424	-
	<u>9,857,224</u>	<u>9,829,800</u>

The bank loan is secured by first charges taken by the bank over specific investment properties together with a debenture over the remaining company assets.

Hire purchase liabilities are secured on the assets subjected to the finance agreement.

11. RESERVES

	Fair value reserve £
At 1 July 2016	18,463,707
Fair value movement	1,420,000
Realised on disposal of asset	<u>(108,369)</u>
At 30 June 2017	<u>19,775,338</u>

12. DIRECTOR'S ADVANCES, CREDITS AND GUARANTEES

During the year, dividends amounting to **£250,000** were paid to the director, Mr A Miller (2016 - £700,000).

At 30 June 2017, the company owed the director **£259,620** (2016 - £4,620) and this amount is included in other creditors.

13. ULTIMATE CONTROLLING PARTY

The controlling party is A Miller.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2017**

14. FIRST YEAR ADOPTION OF FRS 102

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

The company was not previously required, under UK GAAP and FRS19 to provide for deferred taxation on investment property revaluation movements unless there was a binding commitment to sell the property.

FRS 102 does not contain any such exemptions and accordingly, deferred tax has been recognised on revalued investment properties using the 'timing difference plus' approach.

An opening provision of £1.9m has been recognised in the balance sheet at the date of transition of 1 July 2015 with a further charge of £308k made against non-distributable reserves for the year ended 30 June 2016.

This has had the effect of reducing net assets by £2,208k in the comparative period with the comparative profit being reduced by £308k for this additional tax charge.

For the financial year ended 30 June 2017, a charge of £270k has been made against the non-distributable reserve leaving a closing deferred tax provision of £2,478k in respect of investment property fair values at the year end.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.