

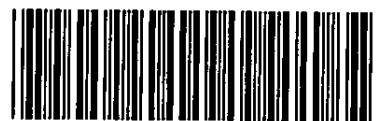
Company Registration No. 2094289

FG Properties Limited

Report and Financial Statements

31 March 2013

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FG Properties Limited

Report and financial statements

Contents	Page
Directors' report	1
Directors' responsibilities statement	3
Independent auditor's report	4
Profit and loss account	5
Balance sheet	6
Reconciliation of movement in shareholder's deficit	7
Notes to the financial statements	8

FG Properties Limited

Directors' report

The directors have pleasure in submitting their annual report and the audited financial statements for the year ended 31 March 2013

Principal activity and business review

The principal activity of the company is that of property development

The results for the year are given in the profit and loss account on page 5 which shows a loss for the financial year of £2,505,000 (2012 £2,580,000) Expenses recognised within the profit and loss account represent staff and administrative costs less recharges to fellow group companies for services provided

FirstGroup plc manages its operations on a divisional basis For this reason, the company's directors believe that further key performance indicators for the company are not necessary or appropriate for understanding the development, performance or position of the business The performance of the Group, which includes the company, is discussed in the Group's Annual Report which does not form part of this report and is publicly available

The directors do not recommend payment of a dividend (2012 £nil)

Directors

The directors who held office throughout the year and up to the date of this report, except as noted below, are as follows

D Collie
C Surch (appointed 1 September 2012)
T O'Toole
J MacIennan
N K Chevis

Financial risk management

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

Due to the nature of the company's business and the assets and liabilities contained within the company's balance sheet, the directors consider the only financial risk to be that the entity is not able to pay its liabilities as they fall due

Key management mitigate these risks by monitoring of the company's financial position throughout the year

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

Going concern

At 31 March 2013, the company had net liabilities of £32,541,000, with the principal liability relating to intercompany balances of £48,051,000 The ultimate parent company, FirstGroup plc, has provided the directors of the company with a letter confirming that repayment of the amounts due to group undertakings will not be sought for a period of at least 12 months from the date of this report to the detriment of other creditors The ultimate parent company has also confirmed in writing that it will make available such funds as may be required to enable the company to meet its obligations for a period of at least 12 months from the date of signing these financial statements The directors have made enquiries and understand that the ultimate parent company has adequate resources to be able to provide this financial support Based on these enquiries and considerations, they continue to adopt the going concern basis in preparing the financial statements

FG Properties Limited

Directors' report (continued)

Audit information

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

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

This confirmation is given and should be interpreted in accordance with the provisions of S418 of the Companies Act 2006

Auditor

The company has passed an elective resolution dispensing with the requirement to appoint an auditor annually. Deloitte LLP have indicated their willingness to continue as auditor of the company and are therefore deemed to be reappointed for a further term.

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



D Collie
Director

13 DECEMBER 2013

FG Properties Limited

Directors' Responsibilities Statement

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

We have audited the financial statements of FG Properties Limited for the year ended 31 March 2013 which comprise the profit and loss account, the balance sheet, the reconciliation of movement in shareholder's deficit and the related notes 1 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's member, 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 member 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 member as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 March 2013 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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.



Mark Tolley (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom,
13 December 2013

FG Properties Limited

Profit and loss account Year ended 31 March 2013

	Notes	2013 £'000	2012 £'000
Net operating expenses	2	(3,387)	(3,539)
Operating loss on ordinary activities before taxation	5	(3,387)	(3,539)
Tax credit on loss on ordinary activities	6	882	959
Loss for the financial year	12	<u>(2,505)</u>	<u>(2,580)</u>

All activities relate to continuing operations


No separate statement of total recognised gains and losses is given as all gains or losses for the current and preceding year passed through the profit and loss account above

FG Properties Limited

Balance sheet 31 March 2013

	Notes	2013 £'000	2012 £'000
Fixed Assets			
Tangible assets	7	14,684	12,804
Current Assets			
Debtors	8	826	1,228
		826	1,228
Creditors: amounts falling due within one year	9	(48,051)	(44,068)
Net current liabilities		(47,225)	(42,840)
Total assets less current liabilities/net liabilities		(32,541)	(30,036)
Capital and reserves			
Called up share capital	11	10	10
Profit and loss account	12	(32,551)	(30,046)
Shareholder's deficit		(32,541)	(30,036)

These financial statements (company registration number 2094289) were approved by the Board of Directors and authorised for issue on ~~13 DECEMBER~~ 2013 and were signed on its behalf by



D Collie

Director

FG Properties Limited

Reconciliation of movement in shareholder's deficit 31 March 2013

	2013 £'000	2012 £'000
Loss for the financial year	(2,505)	(2,580)
Increase in shareholder's deficit	(2,505)	(2,580)
Opening shareholder's deficit	(30,036)	(27,456)
Closing shareholder's deficit	<u>(32,541)</u>	<u>(30,036)</u>

FG Properties Limited

Notes to the financial statements

Year ended 31 March 2013

1 Accounting policies

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

Basis of preparation

The financial statements have been prepared under the historical cost convention, and in accordance with United Kingdom applicable accounting standards. The going concern basis has been applied as described in the going concern statement within the Directors' Report.

Group financial statements

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.

Cash flow statement

The company is a wholly owned subsidiary of FirstGroup plc, a company registered in Scotland. Accordingly, the company has taken advantage of the exemption offered by Financial Reporting Standard 1 (Revised 1996) "Cash flow statements" enabling it not to produce a cash flow statement as the parent company has included a consolidated cash flow statement within its Group financial statements.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment.

Depreciation is provided to write off the cost less residual value of tangible fixed assets over their estimated useful economic lives as follows:

Freehold land and buildings	– 50 years straight-line
Plant and equipment	– 3 to 8 years straight-line

No depreciation is provided on freehold land. Assets under construction are carried at cost. Depreciation commences when the assets are ready for their intended use.

Taxation

UK corporation tax is provided at amounts expected to be paid (or recovered) using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

The taxation liability is reduced wholly or in part by the surrender of losses by group undertakings. The tax benefits arising from group relief are recognised in the financial statements of the surrendering undertaking.

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Group pension scheme

The company is unable to separately identify its share of the group pension scheme assets and liabilities. It therefore accounts for the scheme as if it were a defined contribution scheme and includes certain disclosures in the financial statements in respect of the Group scheme. Contributions are charged to the profit and loss account as they become payable.

FG Properties Limited
Notes to the financial statements
Year ended 31 March 2013

2. Net operating expenses

	2013	2012
	£'000	£'000
Staff costs	1,606	1,681
Other expenses	2,556	2,404
Recharges to other group undertakings	(780)	(552)
Depreciation – owned assets	5	6
	<u>3,387</u>	<u>3,539</u>

3. Employee numbers and costs

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

	2013	2012
	No.	No
Administration	<u>23</u>	<u>25</u>

The aggregate payroll costs of these persons were as follows

	2013	2012
	£'000	£'000
Wages and salaries	1,286	1,343
Social security costs	146	156
Other pension costs (note 15)	174	182
	<u>1,606</u>	<u>1,681</u>

FG Properties Limited
Notes to the financial statements
Year ended 31 March 2013

4. Directors' remuneration

Remuneration received by all other directors except for J E Maclellan, in relation to qualifying services for the current year, was £nil (2012 £nil) J E Maclellan received remuneration from FirstGroup Holdings Limited in the current and prior years in relation to qualifying services for this company and the details are as follows

	2013 £'000	2012 £'000
Aggregate emoluments (excluding pension contributions)	222	215
Company pension contributions	39	38
	<u>261</u>	<u>253</u>

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

The number of directors who:	2013 Number	2012 Number
Are members of a defined benefit pension scheme	1	1
Exercised share options	<u>1</u>	<u>1</u>

5 Operating loss on ordinary activities before taxation

	2013 £'000	2012 £'000
Operating loss on ordinary activities before taxation is stated after charging		
Depreciation – assets owned	<u>5</u>	<u>6</u>

The audit fees for the year of £10,000 (2012 £10,000) have been borne by other group companies

There have been no non-audit fees in the current and prior year

6. Tax credit on loss on ordinary activities

	2013 £'000	2012 £'000
<i>Current taxation</i>		
Group relief surrendered	812	849
Adjustment in respect of prior years	60	(544)
Total current taxation	<u>872</u>	<u>305</u>
<i>Deferred taxation</i>		
Origination and reversal of timing differences	-	(3)
Adjustment in respect of prior years	13	662
Effect of decrease in tax rate on opening deferred tax balance	(3)	(5)
Total deferred taxation	<u>10</u>	<u>654</u>
Total tax credit on loss on ordinary activities	<u>882</u>	<u>959</u>

FG Properties Limited
Notes to the financial statements
Year ended 31 March 2013

6. Tax credit on loss on ordinary activities (continued)

The standard rate of taxation for the year, based on the UK standard rate of corporation tax, is 24% (2012 26%). The actual current tax for the current and previous year differed from the standard rate for the reasons set out in the following reconciliation

	2013 %	2012 %
Standard rate of tax	24.0	26.0
Factors affecting charge		
Capital allowances in excess of depreciation	-	(2.0)
Prior years' tax charge	1.8	(15.4)
Current taxation rate for the year	<u>25.8</u>	<u>8.6</u>

During the period the UK government enacted legislation to reduce the main rate of UK corporation tax to 23% with effect from 1 April 2013. The impact of this rate reduction has reduced the deferred tax on UK timing differences.

A reduction in the corporation tax rate to 23% from 1 April 2013 was enacted in the Finance Act 2012 prior to the balance sheet date. Following the balance sheet date, a further decrease to 21% from 1 April 2014 has been announced following the enactment of the Finance Act 2013.

The effective tax rate for the period to 31 March 2014 and March 2015 is expected to reduce accordingly.

7. Tangible fixed assets

	Assets Under Construction £'000	Land and buildings £'000	Plant and equipment £'000	Total £'000
Cost				
At 1 April 2012	12,369	423	156	12,948
Additions	10,345	-	-	10,345
Transfers to other group companies	(8,460)	-	-	(8,460)
At 31 March 2013	<u>14,254</u>	<u>423</u>	<u>156</u>	<u>14,833</u>
Depreciation				
At 1 April 2012	-	-	144	144
Charge for the year	-	-	5	5
At 31 March 2013	<u>-</u>	<u>-</u>	<u>149</u>	<u>149</u>
Net book value				
At 31 March 2013	<u>14,254</u>	<u>423</u>	<u>7</u>	<u>14,684</u>
At 31 March 2012	<u>12,369</u>	<u>423</u>	<u>12</u>	<u>12,804</u>

FG Properties Limited
Notes to the financial statements
Year ended 31 March 2013

7 Tangible fixed assets (continued)

Assets under construction, as at the 31 March 2013, comprise of one major redevelopment of a bus depot and various other 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.

	2013 £'000	2012 £'000
The net book value of land and buildings comprises		
Freehold	423	423

8. Debtors

	2013 £'000	2012 £'000
Amounts falling due within one year:		
Other debtors	550	947
Prepayments and accrued income	208	223
Deferred tax asset (note 10)	68	58
	<u>826</u>	<u>1,228</u>

9. Creditors

	2013 £'000	2012 £'000
Amounts falling due within one year		
Amounts owed to Group undertakings	48,051	44,037
Accruals and deferred income	-	31
	<u>48,051</u>	<u>44,068</u>

No interest is due on amounts owed to Group undertakings.

10 Deferred tax

	Deferred taxation £'000
Deferred tax asset	
At 1 April 2012	(58)
Credited to the profit and loss account	(10)
	<u>(68)</u>
At 31 March 2013 (note 8)	<u>(68)</u>

FG Properties Limited
Notes to the financial statements
Year ended 31 March 2013

10. Deferred tax (continued)

The deferred tax asset consists of the following amounts

	2013 £'000	2012 £'000
Depreciation in excess of capital allowances	(43)	(43)
Other timing differences	(25)	(15)
	<u>(68)</u>	<u>(58)</u>

11. Called up share capital

	2013 £'000	2012 £'000
Allotted, called up and fully paid:		
8,000 ordinary "A" shares of £1 each	8	8
2,000 ordinary "B" shares of £1 each	2	2
	<u>10</u>	<u>10</u>

There are no differences between the two classes of shares

12. Reserves

	Profit and loss account £'000
At 1 April 2012	(30,046)
Loss for the financial year	<u>(2,505)</u>
At 31 March 2013	<u>(32,551)</u>

13. Commitments

The company had no capital or any other commitments at 31 March 2013 (2012 £nil)

14. Contingent liabilities

The company is a member of a Value Added Tax ('VAT') group covering a number of subsidiary undertakings. All members of the VAT group are jointly and severally liable in respect of any VAT owed to HM Revenue & Customs.

The company is a member of a banking group covering a number of subsidiary undertakings. All members of the banking group are jointly and severally liable in respect of any amounts owed to HSBC Bank plc. The amount of bank overdraft guaranteed is £nil (2012 £nil).

FG Properties Limited
Notes to the financial statements
Year ended 31 March 2013

15. Pension scheme

FirstGroup Flexible benefit scheme

The company is a member of the FirstGroup flexible benefit scheme. The company is unable to separately identify its share of the scheme assets and liabilities as contributions are set for the scheme as a whole rather than reflecting the underlying actuarial characteristics of the employees of the individual employer. It therefore accounts for the scheme as if it were a defined contribution scheme. Contributions are charged to the profit and loss account as they become payable.

The deficit on the scheme of £7.3m (2012 deficit £5.7m) will affect the company through periodic adjustments to the company's contribution rate as determined by the actuary. Additional disclosures required under Financial Reporting Standard 17 have been made on a group basis in the accounts of FirstGroup plc.

The total pension cost in relation to the scheme during the year was £174,000 (2012 £182,000), all of which related to defined benefit schemes. There were no amounts owing or prepaid as at 31 March 2013 (2012 £nil).

The company is unable to separately identify its share of the scheme assets and liabilities. It therefore accounts for the scheme as if it were a defined contribution scheme. Contributions are charged to the profit and loss account as they become payable.

16. Related party transactions

The company is taking advantage of the exemption under FRS 8 'Related Party Disclosures' for 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.

17. Ultimate parent company

FirstGroup plc, a company incorporated in the United Kingdom 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 Ground Floor, 50 Eastbourne Terrace, London, W2 6LG.