

Company Registration No. 03774069 (England and Wales)

HAMILTON HEATH ESTATES LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2019
PAGES FOR FILING WITH REGISTRAR



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HAMILTON HEATH ESTATES LIMITED

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HAMILTON HEATH ESTATES LIMITED

BALANCE SHEET

AS AT 31 MAY 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Tangible assets	3	23,865		19,562	
Investment properties	4	23,045,001		21,750,001	
		<u>23,068,866</u>		<u>21,769,563</u>	
Current assets					
Debtors	5	4,242,646		6,177,637	
Cash at bank and in hand		238,164		191,753	
		<u>4,480,810</u>		<u>6,369,390</u>	
Creditors: amounts falling due within one year	6	<u>(13,219,350)</u>		<u>(17,155,196)</u>	
Net current liabilities		<u>(8,738,540)</u>		<u>(10,785,806)</u>	
Total assets less current liabilities		<u>14,330,326</u>		<u>10,983,757</u>	
Creditors: amounts falling due after more than one year	7	<u>(14,581,940)</u>		<u>(12,720,104)</u>	
Net liabilities		<u>(251,614)</u>		<u>(1,736,347)</u>	
Capital and reserves					
Called up share capital	9	100		100	
Non distributable reserve	10	4,756,777		3,202,340	
Profit and loss reserves		<u>(5,008,491)</u>		<u>(4,938,787)</u>	
Total equity		<u>(251,614)</u>		<u>(1,736,347)</u>	

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

On 23 January 2020 the company issued 3 million £1 Ordinary shares at par to its holding company in exchange for a reduction in intercompany debt of the same amount. As described in note 12 to the accounts, if this had been effected on 31 May 2019 the net assets of the company at that date would have been £2,748,386.

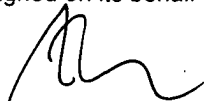
These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

HAMILTON HEATH ESTATES LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 MAY 2019

The financial statements were approved by the board of directors and authorised for issue on 4 February 2020 and are signed on its behalf by:



A Chaytow
Director

Company Registration No. 03774069

HAMILTON HEATH ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2019

1 Accounting policies

Company information

Hamilton Heath Estates Limited is a private company limited by shares incorporated in England and Wales. The registered office is Lester House, 19-21 Broad Street, Bury, Lancashire, BL9 0DA.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Revenue

Property rental income is recognised evenly over the period of the lease, with the value of any incentive provided, recognised over the minimum period of the lease.

1.3 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and equipment	25%
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.4 Investment properties

Investment property is carried at fair value determined annually by external valuers 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. No depreciation is provided. Changes in fair value are recognised in the Statement of comprehensive income.

1.5 Cash at bank and in hand

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

HAMILTON HEATH ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2019

1 Accounting policies

(Continued)

1.6 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

1.7 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

HAMILTON HEATH ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2019

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.8 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 11 (2018 - 11).

3 Tangible fixed assets

	Plant and machinery £
Cost	
At 1 June 2018	34,482
Additions	11,874
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At 31 May 2019	46,356
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Depreciation	
At 1 June 2018	14,920
Depreciation charged in the year	7,571
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At 31 May 2019	22,491
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Carrying amount	
At 31 May 2019	23,865
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At 31 May 2018	19,562
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HAMILTON HEATH ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2019

4 Investment property

	2019 £
Fair value	
At 1 June 2018	21,750,001
Additions	147,755
Revaluations	1,147,245
At 31 May 2019	<u>23,045,001</u>

The company owns a number of multi-let commercial properties in North West England as investments. The fair value of these investment property has been arrived at on the basis of a valuation carried out by Colliers International, Chartered Surveyors, who are not connected with the company. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

5 Debtors

	2019 £	2018 £
Amounts falling due within one year:		
Trade debtors	131,875	192,321
Amounts owed by group undertakings	3,242,389	2,317,895
Other debtors	738,060	3,532,424
Prepayments and accrued income	130,322	134,997
	<u>4,242,646</u>	<u>6,177,637</u>

Included with other debtors are amounts due from directors of £Nil (2018: £2,561,743).

Total deferred tax asset at 31 May 2019 is £1,229,326 (2018: £1,298,933) however this amount is not deemed recoverable, therefore amounts included in other debtors relating to the deferred tax asset totals £150,000 (2018: £100,000), which is based on current year profits.

6 Creditors: amounts falling due within one year

	2019 £	2018 £
Bank loans and overdrafts	-	1,130,836
Amounts owed to group undertakings	10,640,638	10,631,750
Corporation tax	-	282,166
Other taxation and social security	84,115	108,933
Other creditors	2,091,650	4,550,279
Accruals and deferred income	402,947	451,232
	<u>13,219,350</u>	<u>17,155,196</u>

Included within other creditors amounts due to directors of £1,013,237 (2018: £3,646,890). Interest is not charged on these balances.

HAMILTON HEATH ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2019

7 Creditors: amounts falling due after more than one year

	2019 £	2018 £
Bank loans and overdrafts	10,924,670	9,062,834
Other loans	3,657,270	3,657,270
	<u>14,581,940</u>	<u>12,720,104</u>

Secured loans

Bank loans are secured by way of a first legal charge over the properties held by the company. Other group companies have given cross guarantees in relation to this bank loan and are also party to continuing debentures. There has also been an agreed deed of subordination in respect of any shareholder or director loan, ranking these loans behind Handelsbanken in the event of a winding up.

The other loan is due to a pension fund where one of the directors is a trustee. In relation to this loan the company has agreed to provide legal charges over all its properties in favour of the Trustees and at any time on or after an Event of Default, the Trustees may enforce such security. It has been agreed that the bank loan security detailed above shall have priority over this loan.

8 Retirement benefit schemes

	2019 £	2018 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>5,763</u>	<u>3,300</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

9 Called up share capital

	2019 £	2018 £
Ordinary share capital		
Issued and fully paid		
100 Ordinary of £1 each	<u>100</u>	<u>100</u>
	<u>100</u>	<u>100</u>

10 Revaluation reserve

	2019 £	2018 £
At the beginning of the year	3,202,340	609,106
Transfer to retained earnings	<u>1,554,437</u>	<u>2,593,234</u>
At the end of the year	<u>4,756,777</u>	<u>3,202,340</u>

HAMILTON HEATH ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2019

10 Revaluation reserve

(Continued)

Profit and loss account

At the year end there has been a transfer between the investment property reserve and the profit and loss accounts reserve of £1,554,437 (2018: £2,593,234).

11 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was David Gorton FCA CTA.

The auditor was PM+M Solutions for Business LLP.

12 Events after the reporting date

On 23 January 2020 the company issued 3 million £1 Ordinary shares at par to its holding company in exchange for a reduction in intercompany debt of the same amount. The directors are confident that the net assets of the company increased between 31 May 2019 and 23 January 2020 through the normal activities of the company. If this share issue had been effected on 31 May 2019 the net assets of the company at that date would have been £2,748,386.

13 Related party transactions

As permitted by FRS 102 the financial statements do not disclose transactions with companies under common control or transactions included at market value.

At the period end directors were owed £1,013,237 (2018: £3,646,890). At the period end directors owed to the company £Nil (2018: £2,561,743). Interest is not charged on these balances.