

CENTRAL MANCHESTER HOLDINGS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 25 MARCH 2016
PAGES FOR FILING WITH REGISTRAR

Haines Watts

Chartered Accountants

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CENTRAL MANCHESTER HOLDINGS LIMITED

COMPANY INFORMATION

Directors M Keene
F G Westbrook
R Westbrook

Secretary F G Westbrook

Company number 00536521

Registered office 17 London Road
Alderley Edge
Cheshire
SK9 7JT

Auditors Haines Watts
Bridge House
Ashley Road
Hale
Altrincham
WA14 2UT

CENTRAL MANCHESTER HOLDINGS LIMITED

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CENTRAL MANCHESTER HOLDINGS LIMITED

BALANCE SHEET

AS AT 25 MARCH 2016

	Notes	2016 £	£	2015 £	£
Fixed assets					
Tangible assets	6		26,268		2,541
Investment properties	7		2,074,204		2,074,204
Investments	8		2,237,972		2,226,322
			<u>4,338,444</u>		<u>4,303,067</u>
Current assets					
Debtors	9	1,268,168		698,331	
Cash at bank and in hand		720,391		1,488,367	
		<u>1,988,559</u>		<u>2,186,698</u>	
Creditors: amounts falling due within one year	10	(46,317)		(184,357)	
Net current assets			<u>1,942,242</u>		<u>2,002,341</u>
Total assets less current liabilities			<u><u>6,280,686</u></u>		<u><u>6,305,408</u></u>
Capital and reserves					
Called up share capital	11		23,000		23,000
Other reserves			13,674		13,674
Profit and loss reserves			6,244,012		6,268,734
Total equity			<u><u>6,280,686</u></u>		<u><u>6,305,408</u></u>

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

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

The financial statements were approved by the board of directors and authorised for issue on 24/03/16 and are signed on its behalf by:

F G Westbrook

F G Westbrook
Director

Company Registration No. 00536521

CENTRAL MANCHESTER HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 25 MARCH 2016

1 Accounting policies

Company information

Central Manchester Holdings Limited is a private company limited by shares incorporated in England and Wales within the United Kingdom. The registered office is 17 London Road, Alderley Edge, Cheshire, SK9 7JT.

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 on the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These financial statements for the year ended 25 March 2016 are the first financial statements of Central Manchester Holdings Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 26 March 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

1.2 Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

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:

Fixtures, fittings & equipment	- 33% reducing balance
Computer equipment	- 33% reducing balance
Motor vehicles	- 25% reducing balance

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.

CENTRAL MANCHESTER HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 25 MARCH 2016

1 Accounting policies

(Continued)

1.4 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation are included at original cost and not fair value. The directors consider that the additional cost of providing the necessary valuations would outweigh the benefits achieved.

No amortisation or depreciation is provided in respect of freehold investment properties or leasehold investment properties with over 20 years to expiry. This treatment is contrary to the requirements of Companies Act 2006 to provide for depreciation but is considered necessary to ensure the financial statements give a true and fair view.

Depreciation is only one of many factors reflected in the annual valuation of properties and accordingly the amount of depreciation which might otherwise have been charged cannot be separately identified. The directors consider that this policy results in the accounts giving a true and fair view.

1.5 Fixed asset investments

UK and foreign listed fixed asset investments are stated at cost unless their market value is lower and in the opinion of the directors this diminution in value is believed to be permanent.

Other fixed asset investments are stated at cost unless, in the opinion of the directors, there has been an impairment, in which case an appropriate adjustment is made.

1.6 Impairment of fixed assets

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

CENTRAL MANCHESTER HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 25 MARCH 2016

1 Accounting policies

(Continued)

1.8 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 statement of financial position 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 trade and other receivables 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.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

CENTRAL MANCHESTER HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 25 MARCH 2016

1. Accounting policies

(Continued)

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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 receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 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.

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.

CENTRAL MANCHESTER HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 25 MARCH 2016

1 Accounting policies

(Continued)

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged as an expense in the year they are payable.

1.13 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

2 Auditors' remuneration

	2016 £	2015 £
Fees payable to the company's auditor and its associates:		
For audit services		
Audit of the company's financial statements	4,100	4,100

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was 3 (2015: 2).

4 Interest receivable and similar income

	2016 £	2015 £
Interest receivable and similar income includes the following:		
Interest on bank deposits	956	1,122
Other interest income	5,181	-
Dividends received	96,619	102,798
	<u>102,756</u>	<u>103,920</u>

CENTRAL MANCHESTER HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 25 MARCH 2016

5 Interest payable and similar expenses

	2016 £	2015 £
Interest payable and similar expenses includes the following:		
Other interest	782	-
	<u>782</u>	<u>-</u>

6 Tangible fixed assets

	Fixtures, fittings & equipment £	Computer equipment £	Motor vehicles £	Total £
Cost				
At 26 March 2015	2,599	-	4,990	7,589
Additions	4,216	8,872	18,240	31,328
Disposals	-	-	(4,990)	(4,990)
At 25 March 2016	<u>6,815</u>	<u>8,872</u>	<u>18,240</u>	<u>33,927</u>
Depreciation and impairment				
At 26 March 2015	2,162	-	2,886	5,048
Depreciation charged in the year	840	1,398	3,434	5,672
Eliminated in respect of disposals	-	-	(3,061)	(3,061)
At 25 March 2016	<u>3,002</u>	<u>1,398</u>	<u>3,259</u>	<u>7,659</u>
Carrying amount				
At 25 March 2016	<u>3,813</u>	<u>7,474</u>	<u>14,981</u>	<u>26,268</u>
At 25 March 2015	<u>437</u>	<u>-</u>	<u>2,104</u>	<u>2,541</u>

7 Investment property

	2016 £
Fair value	
At 26 March 2015 and 25 March 2016	<u>2,074,204</u>

The company is the owner of investment properties costing £2,074,204 (2015: £2,074,204) which it holds to let to third parties under rental agreements and operating leases.

CENTRAL MANCHESTER HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 25 MARCH 2016

8 Fixed asset investments

	2016 £	2015 £
Investments	2,237,972	2,226,322

Listed investments having a net book value of £2,237,972 (2015: £2,226,322) had a market value of £3,033,512 (2015: £3,292,352) at the end of the year. These are held through J M Finn & Co Limited investment managers.

The listed investments are shown at cost, unless their market value is lower than cost and this diminution in value is deemed to be permanent.

Movements in fixed asset investments

	Investments other than loans £
Cost or valuation	
At 26 March 2015	2,226,322
Additions	666,824
Valuation changes	(152,342)
Disposals	(502,832)
At 25 March 2016	2,237,972
Carrying amount	
At 25 March 2016	2,237,972
At 25 March 2015	2,226,322

9 Debtors

	2016 £	2015 £
Amounts falling due within one year:		
Trade debtors	17,505	100,807
Other debtors	1,250,663	597,524
	1,268,168	698,331

CENTRAL MANCHESTER HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 25 MARCH 2016

10 Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	11,615	76,144
Corporation tax	(14,051)	62,825
Other taxation and social security	13,152	10,388
Other creditors	35,601	35,000
	<u>46,317</u>	<u>184,357</u>

11 Called up share capital

	2016 £	2015 £
Ordinary share capital Issued and fully paid 23,000 Ordinary shares of £1 each	<u>23,000</u>	<u>23,000</u>

12 Audit report information

The Independent Auditors' Report was qualified as investment properties have not been included in the balance sheet at fair value as required by FRS 102. The name of the Senior Statutory Auditor who signed the audit report was John Whittick, who signed on behalf of Haines Watts Chartered Accountants.

13 Related party transactions

No guarantees have been given or received.

Agecroft Investment Co. Limited is related to Central Manchester Holdings Limited by virtue of common directors. Included within other debtors is £1,121,600 (2015: £501,600) due from Agecroft Investment Co. Limited in respect of a £1,120,000 loan and £1,600 of management charges.

The company currently operates out of premises at 17 London Road, Alderley Edge, a property owned by Middlemede Properties Limited. No rental is charged by Middlemede Properties Limited for the use of this property. Middlemede Properties Limited owns 40% of the issued share capital of Central Manchester Holdings Limited and is 100% owned by The estate of Sir N Westbrook.