

Fred Hill Properties Limited
Directors' Report and Financial Statements
Registered Number SC31613
31 March 2011



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Directors' Report

The directors present their annual report and audited financial statements for the year ended 31 March 2011.

Principal activity

The principal activity of the company is that of property investment.

Results and dividend

The profit for the year after taxation was £389,000 (2010: £382,000). The directors recommend that no dividend be paid and that the balance on the profit and loss account amounting to £5,948,000 to be carried forward to the next financial year.

Directors

The directors who have held office since 1 April 2010 are:

Lewis S Hill
Jacqueline Hill
Lynne Hamme

Auditor

The auditor, Baker Tilly UK Audit LLP, Chartered Accountants, has indicated its willingness to continue in office.

Statement as to disclosure of information to auditor

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

On behalf of the board



Lewis S Hill
Director

31 August 2011

Statement of Directors' Responsibilities

The directors are responsible for preparing the Directors' 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 those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and accounting estimates that are reasonable and prudent;
- c. 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 AUDITORS REPORT TO THE MEMBERS OF FRED HILL PROPERTIES LIMITED

We have audited the financial statements on pages 4 to 11. 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 members, 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 members 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As more fully explained in the Directors' Responsibilities Statement set out on page 2, 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/UKNP

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 2011 and of its profit 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors' report

Baker Tilly UK Audit LLP

JONATHAN MANN (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

Chartered Accountants

1st Floor

46 Clarendon Road

Watford

WD17 1JJ

21st October 2011

Profit and loss account
For the year ended 31 March 2011

	Note	2011 £000	2010 £000
Rents receivable		600	618
Operating costs (net)	2	(85)	(89)
Operating profit before interest and taxation		515	529
Interest receivable		12	2
Interest payable		(25)	(25)
Profit on ordinary activities before taxation	3	502	506
Tax on profit on ordinary activities	4	(113)	(124)
Retained profit for the financial year	10	389	382

The profit and loss account has been prepared on the basis that all operations are continuing operations.

The notes on pages 7 to 11 form part of these financial statements.

Fred Hill Properties Limited
Directors' Report and Financial Statements
31 March 2011

Balance sheet
As at 31 March 2011

Company number: SC31613

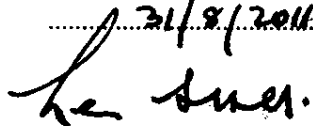
	Note	2011 £000	2010 £000
Fixed assets			
Tangible assets	5	8,502	8,109
Current assets			
Debtors	6	3	52
Cash at bank and in hand		1,645	609
Creditors: amounts falling due within one year	7	(714)	(676)
Total net current assets/(liabilities)		934	(15)
Net assets		9,436	8,094
Capital and reserves			
Called up share capital	8	80	80
Revaluation reserve	9	3,408	2,245
Profit and loss account	9	5,948	5,769
Shareholders' funds	11	9,436	8,094

The notes on pages 7 to 11 form part of these financial statements.

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

These financial statements were approved by the board of directors and authorised for issue on

31/8/2011 and were signed on its behalf by:


Lewis S Hill
Director

Date: 31/8/2011.

**Statement of Total Recognised Gains and Losses
For the year ended 31 March 2011**

	Note	2011 £000	2010 £000
Profit for the financial year		389	382
Unrealised surplus/(deficit) on revaluation of properties	5	953	(1,435)
		<u> </u>	<u> </u>
 Total recognised gains and losses relating to the year	 11	 1,342	 (1,053)
		<u> </u>	<u> </u>

Notes to the Financial Statements
(forming part of the financial statements)

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Going concern

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules, modified to include the revaluation of certain land and buildings.

Investment properties

In accordance with SSAP 19, investment properties are revalued annually, the aggregate surplus or deficit being transferred to a revaluation reserve. The valuation of the properties is carried out by the directors on the basis of open market value.

No depreciation is provided on freehold properties. This treatment may be a departure from the requirements of the Companies Act concerning depreciation of fixed assets. However, these properties are not held for consumption but for investment and the directors consider that systematic annual depreciation would be inappropriate. The accounting policy adopted is therefore necessary for the accounts to give a true and fair view. Depreciation is only one of the many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

Turnover

Turnover represents rental income receivable which is recognised in the period to which it relates to.

Cash flow statement

The company has taken advantage of the small company's exemption from preparing a cash flow statement under the terms of FRS1.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Notes to the Financial Statements (continued)
(forming part of the financial statements)

1. Accounting policies (continued)

No provision has been made for deferred tax on gains recognised on revaluing investment properties to their market value as the company has no commitment to sell the revalued assets.

2. Operating costs (net)

	2011 £000	2010 £000
Administration expenses	119	89
Profit on disposal of property	(34)	-
	<u>85</u>	<u>89</u>

3. Profit on ordinary activities before taxation

	2011 £000	2010 £000
Profit is stated after charging:		
Auditors' remuneration	3	3
Directors' emoluments	-	-
	<u> </u>	<u> </u>

4. Taxation

Analysis of charge in the year

	2011 £000	2010 £000
UK corporation tax		
Current corporation tax on income for the year	113	124
Adjustment in respect of prior years	-	-
	<u> </u>	<u> </u>
Tax on profit on ordinary activities	<u>113</u>	<u>124</u>

Notes to the Financial Statements (continued)
(forming part of the financial statements)

4. Taxation (continued)

The current corporation tax charge for the year is lower than (2010: lower than) the standard rate of corporation tax in the UK 28% (2010: 28%). The differences are explained below:

	2011	2010
	£000	£000
Current corporation tax reconciliation		
Profit on ordinary activities before tax	502	506
Current corporation tax at 28% (2010: 28%)	141	142
Effects of:		
Income not taxable	(10)	-
Marginal Relief	(18)	(18)
Current corporation tax charge	113	124

5. Tangible fixed assets

	Open market value £000
Investment properties	
At beginning of year	8,109
Additions	-
Disposals	(560)
Revaluation	953
At end of year	8,502

The properties were valued by the directors at their estimate of open market value as at 31 March 2011. Such values were based on current market rents.

The historic cost of these assets was £5,070,000 (2010: £5,840,000).

6. Debtors

	2011	2010
	£000	£000
Trade debtors	3	52

Notes to the Financial Statements (continued)
(forming part of the financial statements)

7. Creditors: amounts falling due within one year

	2011	2010
	£000	£000
Corporation tax	113	124
Accruals and deferred income	88	52
Other creditors	513	500
	714	676

8. Share capital

	2011	2010
	£000	£000
<i>Authorised, allotted, issued and fully paid</i>		
Ordinary shares of £1 each	80	80

9. Reserves

	Revaluation Reserve £000	Profit and loss account £000
At beginning of year	2,245	5,769
Retained profit for year	-	389
Revaluation during the year	953	-
Transfer	210	(210)
	3,408	5,948

The transfer represents losses previously recognised through the Statement of Other Recognised Gains and Losses on the property sold in the year.

10. Deferred taxation

Deferred tax is recognised in the Statement of Total Recognised Gains and Losses on revaluations where at the balance sheet date there is a binding agreement to sell the asset and the gain or loss expected to arise on sale has been recognised.

The company's freehold properties have been re-valued in accordance with SSAP 19 Accounting for investment properties. It is the company's intention to retain the properties for the foreseeable future. No deferred tax has been provided on the gains arising from the revaluation as such tax would only become payable if the properties were sold without roll-over relief being obtained. The tax which would be payable in such circumstances is estimated to be £nil (2010: £nil).

Notes to the Financial Statements (continued)
(forming part of the financial statements)

11. Reconciliation of movements in shareholders' funds

	2011	2010
	£000	£000
Profit for the financial year	389	382
Other recognised gains and losses	953	(1,435)
Net increase/ (depletion) in shareholders' funds	<u>1,342</u>	<u>(1,053)</u>
Opening shareholders' funds	8,094	9,147
Closing shareholders' funds	<u><u>9,436</u></u>	<u><u>8,094</u></u>

12. Transactions with Directors

At the end of the year, £250,000 (2010: £250,000) had been loaned to the company by Jacqueline Hill and £250,000 (2010: £250,000) had been loaned to the company by Lewis Hill. Interest is paid at a rate of 5% per annum and the total interest payable on the loans in the year was £25,000 (2010: £25,000).

13. Ultimate controlling party

There is no party which is considered to be the controlling party during the year.