

I.M. Properties (Abbey) Limited

Directors' Report and Financial Statements

Year Ended

31 December 2017

Company Number 03267507

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I.M. Properties (Abbey) Limited

Company Information

Directors	T J Wooldridge G Hutton A Clarke J Hammond K Ashfield
Company secretary	R Croft
Registered number	03267507
Registered office	I.M. House South Drive Coleshill Birmingham B46 1DF
Independent auditor	BDO LLP 2 City Place Beehive Ring Road Gatwick West Sussex RH6 0PA

I.M. Properties (Abbey) Limited

Contents

	Page
Directors' report	1 - 2
Independent auditor's report	3 - 5
Statement of income and retained earnings	6
Balance sheet	7
Notes to the financial statements	8 - 17

I.M. Properties (Abbey) Limited

Directors' report For the year ended 31 December 2017

The directors present their report and the financial statements for the year ended 31 December 2017.

Directors' responsibilities statement

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 Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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; 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.

Results and dividends

The profit for the year, after taxation, amounted to £3,451,888 (2016: £1,426,734).

An interim dividend of £10,000,000 was paid during the year (2016: £Nil). The directors do not recommend the payment of a final dividend.

Directors

The directors who served during the year were:

T J Wooldridge
G Hutton
A Clarke
J Hammond
K Ashfield

Going concern

The financial statements have been drawn up on a going concern basis which assumes the continued support of the parent company, I.M. Properties Plc, for a period of at least 12 months from the date of approval of these financial statements. The directors have received written confirmation from I.M. Properties Plc that such support will continue to be made available, and on this basis have determined that the Company will continue in existence as a going concern.

I.M. Properties (Abbey) Limited

Directors' report (continued)
For the year ended 31 December 2017

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so 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 be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 20 July 2018 and signed on its behalf.



A Clarke
Director

I.M. Properties (Abbey) Limited

Independent auditor's report to the members of I.M. Properties (Abbey) Limited

Opinion

We have audited the financial statements of I.M. Properties (Abbey) Limited ("the Company") for the year ended 31 December 2017 which comprise the Statement of income and retained earnings, the Balance sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2017 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

I.M. Properties (Abbey) Limited

Independent auditor's report to the members of I.M. Properties (Abbey) Limited (continued)

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Director's report.

We have nothing to report in respect of the following matters in relation to which 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 take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

I.M. Properties (Abbey) Limited

Independent auditor's report to the members of I.M. Properties (Abbey) Limited (continued)

Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

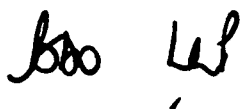
In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.



John Everingham (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
Gatwick
United Kingdom

Date: 27 JULY 2018

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

I.M. Properties (Abbey) Limited

Statement of income and retained earnings For the year ended 31 December 2017

	Note	2017 £	2016 £
Turnover	4	1,510,911	1,247,278
Cost of sales		(169,275)	(299,261)
Gross profit		1,341,636	948,017
Administrative expenses		(16,510)	(12,476)
Other operating income and charges		3,614,644	740,724
Operating profit	5	4,939,770	1,676,265
Interest receivable and similar income	7	1,178,864	452,556
Interest payable and similar charges	8	(1,582,181)	(1,615,787)
Profit on ordinary activities before taxation		4,536,453	513,034
Taxation on profit on ordinary activities	9	(1,084,565)	913,700
Profit for the year and total comprehensive income		3,451,888	1,426,734
Retained earnings at the beginning of the year		18,171,095	16,744,361
Total comprehensive income for the year		3,451,888	1,426,734
Dividends paid		(10,000,000)	-
Retained earnings at the end of the year		11,622,983	18,171,095

The notes on pages 8 to 17 form part of these financial statements.

I.M. Properties (Abbey) Limited

Registered number: 03267507

Balance sheet As at 31 December 2017

	Note	2017 £	2016 £
Fixed assets			
Investment property	11	31,148,161	27,495,174
Current assets			
Debtors: amounts falling due within one year	12	495,324	5,752,799
Current liabilities			
Creditors: amounts falling due within one year	13	(17,134,852)	(396,249)
Net current (liabilities)/assets		(16,639,528)	5,356,550
Creditors: amounts falling due after more than one year	14	(366,946)	(12,809,010)
Provisions for liabilities			
Deferred taxation	17	(776,543)	(129,458)
Net assets		13,365,144	19,913,256
Capital and reserves			
Called up share capital	18	1,742,161	1,742,161
Profit and loss account	19	11,622,983	18,171,095
		13,365,144	19,913,256

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
20 July 2018.



A Clarke
Director

The notes on pages 8 to 17 form part of these financial statements.

I.M. Properties (Abbey) Limited

Notes to the financial statements For the year ended 31 December 2017

1. General information

I.M. Properties (Abbey) Limited is a private company incorporated in England and Wales under the Companies Act. It is a company limited by shares. The address of the registered office is given on the company information page. The principal activity of the Company is property investment.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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 (see note 3).

The financial statements are drawn up to the nearest whole £, except where otherwise indicated.

The following principal accounting policies have been applied:

2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of I.M. Properties Plc as at 31 December 2017 and these financial statements may be obtained from Companies House.

2.3 Going concern

The financial statements have been drawn up on a going concern basis which assumes the continued support of the parent company, I.M. Properties Plc, for a period of at least 12 months from the date of approval of these financial statements. The directors have received written confirmation from I.M. Properties Plc that such support will continue to be made available, and on this basis have determined that the Company will continue in existence as a going concern.

I.M. Properties (Abbey) Limited

Notes to the financial statements For the year ended 31 December 2017

2. Accounting policies (continued)

2.4 Turnover

Turnover comprises of rents receivable less value added tax.

Rental income from operating leases is credited to the Statement of income and retained earnings on a straight line basis over the term of the relevant lease.

Amounts paid and payable as an incentive to sign an operating lease are recognised as a reduction to income over the lease term on a straight line basis, unless another systematic basis is representative of the time pattern over which the lessor's benefit from the leased asset is diminished.

2.5 Interest income

Interest income is recognised in the Statement of income and retained earnings using the effective interest method.

2.6 Borrowing costs

All borrowing costs are recognised in the Statement of income and retained earnings in the year in which they are incurred.

2.7 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of income and retained earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.8 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

I.M. Properties (Abbey) Limited

Notes to the financial statements For the year ended 31 December 2017

2. Accounting policies (continued)

2.9 Investment property

Investment property is carried at fair value determined annually by the directors and independent valuers and is 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 income and retained earnings.

2.10 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.11 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.12 Financial instruments

The Company enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties and loans to related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of income and retained earnings.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

I.M. Properties (Abbey) Limited

Notes to the financial statements For the year ended 31 December 2017

2. Accounting policies (continued)

2.12 Financial instruments (continued)

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an 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.

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 income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing the financial statements, the directors have made the following judgements:

- determine whether there are any indications of impairment of the amounts due from group undertakings. Factors taken into consideration in reaching such a decision include the financial position and the expected future financial performance of that entity.
- valuations performed by the directors and independent valuers, have been used as the fair value of investment properties. The valuation is performed according to RICS rules, using appropriate levels of professional judgement for the prevailing market conditions. Professional judgement is applied in determining such things as appropriate yield for a given property and estimated rental values.

4. Turnover

Turnover is wholly attributable to the principal activity of property rental and arises solely within the United Kingdom.

5. Operating profit

The operating profit is stated after crediting/(charging):

	2017	2016
	£	£
Fair value gain on investment property	3,614,644	925,370
Loss on disposal of investment property	-	(184,646)
	<u> </u>	<u> </u>

The auditor's remuneration is borne by another group company.

I.M. Properties (Abbey) Limited

Notes to the financial statements For the year ended 31 December 2017

6. Employees

The Company has no employees, other than the directors.

The emoluments of the directors are borne by I.M. Properties Plc, the parent company, and are shown in that company's financial statements.

It is not practicable to split the directors' remuneration across each company in the group.

7. Interest receivable and similar income

	2017 £	2016 £
Other interest receivable	-	123,611
Fair value movements on financial instruments	1,178,864	328,945
	<u>1,178,864</u>	<u>452,556</u>

8. Interest payable and similar charges

	2017 £	2016 £
Bank interest payable	1,582,181	1,615,787
	<u>1,582,181</u>	<u>1,615,787</u>

9. Taxation

	2017 £	2016 £
Corporation tax		
Adjustments in respect of previous periods	317,854	4,733
Group taxation relief	(80,782)	(130,860)
Total current tax	<u>237,072</u>	<u>(126,127)</u>
Deferred tax		
Origination and reversal of timing differences	847,493	(787,573)
Taxation on profit on ordinary activities	<u>1,084,565</u>	<u>(913,700)</u>

I.M. Properties (Abbey) Limited

Notes to the financial statements For the year ended 31 December 2017

9. Taxation (continued)

Factors affecting tax charge/(credit) for the year

The tax assessed for the year is higher than (2016 - higher than) the standard rate of corporation tax in the UK of 19.25% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
Profit on ordinary activities before tax	<u>4,536,453</u>	<u>513,034</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25% (2016 -20%)	873,112	102,607
Effects of:		
Fixed asset differences	-	(1,318,619)
Expenses not deductible for tax purposes	1,805	15,866
Adjustments to tax charge in respect of prior periods	317,854	4,733
Impact of different deferred tax rates	(111,555)	281,713
Deferred tax not recognised	3,349	-
Total tax charge/(credit) for the year	<u><u>1,084,565</u></u>	<u><u>(913,700)</u></u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

10. Dividends paid

	2017 £	2016 £
An interim dividend of £5.74 (2016: £Nil) per share was paid during the year	<u><u>10,000,000</u></u>	<u><u>-</u></u>

I.M. Properties (Abbey) Limited

Notes to the financial statements For the year ended 31 December 2017

11. Investment property

	Freehold investment property £
Valuation	
At 1 January 2017	27,495,174
Additions	38,343
Surplus on revaluation	3,614,644
At 31 December 2017	31,148,161

The 31 December 2017 valuations were made by the directors and independent valuers, on an open market value for existing use basis.

Investment properties are professionally valued annually using a yield methodology based upon comparable evidence available in the market. There is an inevitable degree of judgement involved in that each property is unique and value can only ultimately be reliably tested in the market itself.

The historic cost of the freehold investment properties at 31 December 2017 was £22,038,343 (2016: £22,000,000).

12. Debtors

	2017 £	2016 £
Trade debtors	44,800	149,167
Amounts owed by group undertakings	-	4,940,795
Other debtors	30,000	-
Prepayments and accrued income	358,144	400,049
Deferred taxation	62,380	262,788
	495,324	5,752,799

All amounts shown under debtors fall due for payment within one year, except for the deferred tax asset of £62,380 (2016: £262,788) due after more than one year.

I.M. Properties (Abbey) Limited

Notes to the financial statements For the year ended 31 December 2017

13. Creditors: Amounts falling due within one year

	2017 £	2016 £
Bank loans (secured)	11,263,200	-
Amounts owed to group undertakings	5,486,347	-
Other taxation	7,357	24,439
Other creditors	211	7,138
Accruals and deferred income	377,737	364,672
	<u>17,134,852</u>	<u>396,249</u>

14. Creditors: Amounts falling due after more than one year

	2017 £	2016 £
Bank loans (secured)	-	11,263,200
Financial instruments	366,946	1,545,810
	<u>366,946</u>	<u>12,809,010</u>

The group has entered into floating to fixed interest rate swaps with a fixed leg of 2.44% and at variable rate leg equal to LIBOR.

15. Loans

Analysis of the maturity of loans is given below:

	2017 £	2016 £
Bank loans due within one year	11,263,200	-
Bank loans due in more than one but no more than two years	-	11,263,200
	<u>11,263,200</u>	<u>11,263,200</u>

The loan is secured over the properties of the Company and fellow subsidiaries. The parent company, I.M. Properties Plc, has given a guarantee to the bank in respect of the loan.

I.M. Properties (Abbey) Limited

Notes to the financial statements For the year ended 31 December 2017

16. Financial instruments

	2017 £	2016 £
Financial liabilities		
Derivative financial instruments measured at fair value through profit or loss held as part of a trading portfolio	366,946	1,545,810

Financial liabilities measured at fair value through profit or loss comprise of interest rate swaps. The fair value of interest rate swaps is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. All significant inputs required to measure fair value are observable.

17. Deferred taxation

	2017 £	2016 £
At beginning of year	133,330	372,446
Charged to profit or loss	(847,493)	(239,116)
At end of year	(714,163)	133,330

The deferred taxation balance is made up as follows:

	2017 £	2016 £
Fixed asset timing difference	(162,054)	(129,458)
Short term timing differences	62,380	262,788
Capital gains	(614,489)	-
	(714,163)	133,330

18. Share capital

	2017 £	2016 £
Allotted, called up and fully paid		
1,742,161 Ordinary shares of £1 each	1,742,161	1,742,161

I.M. Properties (Abbey) Limited

Notes to the financial statements For the year ended 31 December 2017

19. Reserves

Share capital represents the nominal value of shares in issue.

The profit and loss account is the cumulative comprehensive income less items recognised in other equity reserves.

20. Contingencies

The Company has entered into an unlimited cross guarantee with fellow subsidiary and related undertakings with a common ultimate controlling party, guaranteeing bank term loan facilities at 31 December 2017 and 31 December 2016 for £45,319,560 relating to those undertakings.

21. Operating leases

At 31 December 2017 the Company had future minimum lease payments receivable under non-cancellable operating leases as follows:

	2017 £	2016 £
Within one year	1,341,174	1,534,199
Between one and five years	3,227,107	3,926,584
After five years	1,723,418	2,318,403
	<u>6,291,699</u>	<u>7,779,186</u>

22. Related party disclosures

The Company is controlled by I.M. Properties Plc, which owns 100% of the issued share capital. The Company's ultimate controlling party is Lord Edmiston who has the control of the majority of the issued share capital of I.M. Group Limited, the ultimate parent company at the year end.

The Company is a wholly owned subsidiary of I.M. Group Limited and has taken advantage of the exemption conferred by FRS 102 paragraph 33.1A not to disclose transactions with I.M. Group Limited or other wholly owned subsidiaries within the group.

23. Ultimate parent company and parent undertaking of larger group

The Company is a subsidiary of I.M. Group Limited which is the ultimate parent company incorporated in England and Wales.

The largest group in which the results of the Company are consolidated is that headed by I.M. Group Limited, incorporated in England and Wales. The smallest group in which they are consolidated is that headed by I.M. Properties Plc, incorporated in England and Wales. The consolidated financial statements are available to the public and may be obtained from Companies Registration Office, Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.