

Company Registration No. 157366 (England and Wales)

APPERLY ESTATES LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2020

APPERLY ESTATES LIMITED

COMPANY INFORMATION

Directors	David Apperly MA MRICS, Chairman Rachel Azcona BSc Jonathan Houlton ACA, Finance Director Richard Merriam FRICS Peter Mullineux MEng Jonathan Stevenson MRICS Alison Winkfield
Secretary	Rachel Azcona BSc
Company number	157366
Registered office	Bourbon Court Nightingales Corner Little Chalfont Bucks HP7 9QS
Auditors	Crowe U.K. LLP Chartered Accountants & Statutory Auditor Aquis House 49 - 51 Blgrave Street Reading Berks RG1 1PL
Business address	Bourbon Court, Nightingales Corner Little Chalfont Bucks HP7 9QS
Bankers	Handelsbanken London West End Branch 3rd Floor 86 Jermyn Street London SW1Y 6JD Barclays Bank plc 16 - 18 St Peters Street St Albans Herts AL3 4DZ National Westminster Bank plc PO Box 12258 1 Princes Street London EC2R 8PA
Solicitors	Gowling WLG (UK) LLP 4 More London Riverside London SE1 2AU

APPERLY ESTATES LIMITED

CONTENTS

	Page
Directors' report	1 - 2
Independent auditor's report	3 - 4
Income statement	5
Statement of comprehensive income	6
Statement of financial position	7
Statement of changes in equity	8
Statement of cash flows	9
Notes to the financial statements	10 - 19

APPERLY ESTATES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 29 FEBRUARY 2020

The directors present their annual report and financial statements for the year ended 29 February 2020.

Principal activities

The principal activity of the company during the year and since the year end continues to be property investment.

Results

The Board is pleased to report a strong set of results for the year ended 29 February 2020, which have been substantially unaffected by the subsequently declared Covid-19 pandemic and economic lockdown.

This year has seen a 7.0% increase in Rental income to £5.0m, arising from a new acquisition made in the year, a number of new lettings/renewals and rent reviews as well as a low level of vacancies. Gross profit fell by 3.5% to £4.4m due to the increase in Outgoings less recoveries as a result of higher lettings and rent review costs and related refurbishment costs.

Administrative expenses and Finance costs increased in the year principally due to the additional banking facilities entered into which partially funded the new acquisition. As a result, Revenue profit decreased by 13.0% to £2.8m, which the directors consider to be satisfactory.

During the year the company's net assets grew by 10.7% to £103.0m. Investment properties increased by £21.6m to £137.8m with a £9.7m acquisition of industrial units at Postley Road, Bedford and a net revaluation surplus of £11.9m largely attributable to our New Bond Street property. The company's cash resources declined by £3.5m to £4.0m as a result of the new acquisition being partly funded by cash as well as by a new £5m term loan.

The results for the year are shown on page 6.

Prospects

With the United Kingdom being placed in lockdown on 23 March 2020, the Board has been closely monitoring the impact of the Covid-19 pandemic and economic lockdown on its business and the activities of its tenants. We have been proactive in taking appropriate actions to safeguard the company including discussions with our tenants concerning the March and June Quarters rent collections. Where appropriate the Board has agreed a number of rent concessions with those tenants encountering significant financial difficulties, including a temporary change from quarterly rental payments to monthly payments. As of the 1st July 2020, we have collected over 95% of the March Quarter rent roll, and 57% of the June Quarter rent roll.

With our high level of cash resources, low level of gearing and agreed long term banking facilities, the Board believes that the company is well placed to ride out the economic storm caused by the pandemic, albeit we will continue to remain vigilant given the unpredictable nature of the coronavirus and its economic impact.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

David Apperly MA MRICS, Chairman
Rachel Azcona BSc
Jonathan Houlton ACA, Finance Director
Richard Merriam FRICS
Peter Mullineux MEng
Jonathan Stevenson MRICS
Alison Winkfield

Auditor

Crowe U.K.LLP will be proposed for reappointment at the Annual General Meeting.

APPERLY ESTATES LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 29 FEBRUARY 2020

Statement of directors' responsibilities

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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (Financial Reporting Standard 102). 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;
- 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.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

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

By order of the board

Rachel Azcona BSc
Secretary
3 July 2020

APPERLY ESTATES LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF APPERLY ESTATES LIMITED

Opinion

We have audited the financial statements of Apperly Estates Limited (the 'company') for the year ended 29 February 2020 which comprise the income statement, the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows 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 FRS 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 29 February 2020 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.

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 our 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.

APPERLY ESTATES LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF APPERLY ESTATES LIMITED

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 directors' 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 by the company, 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 and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement on page 1, 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

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 on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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.

Christine Dobson
for and on behalf of Crowe U.K. LLP

6 July 2020

Chartered Accountants
Statutory Auditor

Chartered Accountants & Statutory Auditor
Aquis House
49 - 51 Blagrove Street
Reading
Berks
RG1 1PL

APPERLY ESTATES LIMITED

INCOME STATEMENT

FOR THE YEAR ENDED 29 FEBRUARY 2020

	Notes	2020 £	2019 £
Rental income		5,033,308	4,703,354
Outgoings less recoveries		(669,271)	(183,000)
		<hr/>	<hr/>
Gross profit		4,364,037	4,520,354
Administrative expenses		(686,710)	(599,144)
Other operating income		9,048	-
		<hr/>	<hr/>
Operating profit		3,686,375	3,921,210
Investment income	4	17,498	22,201
Finance costs	5	(913,382)	(736,463)
		<hr/>	<hr/>
Revenue profit		2,790,491	3,206,948
Other gains and losses	6	11,864,768	470,651
		<hr/>	<hr/>
Profit before taxation		14,655,259	3,677,599
Tax on profit on ordinary activities	7	(3,823,311)	1,281,908
		<hr/>	<hr/>
Profit for the financial year	19	<u>10,831,948</u>	<u>4,959,507</u>

The income statement has been prepared on the basis that all operations are continuing operations.

APPERLY ESTATES LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 29 FEBRUARY 2020

	2020 £	2019 £
Profit for the year	10,831,948	4,959,507
Other comprehensive income	-	-
Total comprehensive income for the year	<u>10,831,948</u>	<u>4,959,507</u>

APPERLY ESTATES LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 29 FEBRUARY 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Investment properties	9	137,810,000		116,245,000	
Current assets					
Trade and other receivables	10	675,678		693,463	
Investments	11	104		104	
Cash at bank and in hand		4,023,493		7,523,996	
		<u>4,699,275</u>		<u>8,217,563</u>	
Current liabilities	12	(1,969,058)		(1,483,179)	
Net current assets		<u>2,730,217</u>		<u>6,734,384</u>	
Total assets less current liabilities		140,540,217		122,979,384	
Non-current liabilities	13	(24,070,000)		(19,875,000)	
Provisions for liabilities	15	(13,486,317)		(10,037,432)	
Net assets		<u>102,983,900</u>		<u>93,066,952</u>	
Equity					
Called up share capital	17	150,000		150,000	
Revaluation reserve	18	70,110,062		61,484,476	
Retained earnings	19	32,723,838		31,432,476	
Total equity		<u>102,983,900</u>		<u>93,066,952</u>	

The financial statements were approved by the board of directors and authorised for issue on 3 July 2020 and are signed on its behalf by:

David Apperly MA MRICS, Chairman
Director

Company Registration No. 157366

APPERLY ESTATES LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 29 FEBRUARY 2020

	Share capital	Revaluation reserve	Retained earnings	Total
	£	£	£	£
Balance at 1 March 2018	150,000	59,237,720	29,607,725	88,995,445
	<hr/>	<hr/>	<hr/>	<hr/>
Profit for the year	-	-	4,959,507	4,959,507
	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive income for the period	-	-	4,959,507	4,959,507
Dividends	-	-	(888,000)	(888,000)
Other	-	2,246,756	(2,246,756)	-
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 28 February 2019	150,000	61,484,476	31,432,476	93,066,952
	<hr/>	<hr/>	<hr/>	<hr/>
Profit for the year	-	-	10,831,948	10,831,948
	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive income for the period	-	-	10,831,948	10,831,948
Dividends	-	-	(915,000)	(915,000)
Other	-	8,625,586	(8,625,586)	-
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 29 February 2020	150,000	70,110,062	32,723,838	102,983,900
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

APPERLY ESTATES LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 29 FEBRUARY 2020

	Notes	2020		2019	
		£	£	£	£
Cash generated from operations	24		3,869,720		4,083,448
Interest paid			(740,708)		(862,612)
Corporation tax paid			(525,973)		(632,000)
Net cash inflow from operating activities			<u>2,603,039</u>		<u>2,588,836</u>
Investing activities					
Purchase of investment property		(9,700,230)		(394,349)	
Interest received		16,663		21,998	
Dividends received		10		9	
Net cash used in investing activities			<u>(9,683,557)</u>		<u>(372,342)</u>
Financing activities					
Proceeds of new bank loans		5,000,000		3,600,000	
Repayment of bank loans		(505,000)		(3,745,000)	
Dividends paid to owners of the company		(914,985)		(887,985)	
Net cash generated from/(used in) financing activities			<u>3,580,015</u>		<u>(1,032,985)</u>
Net (decrease)/increase in cash and cash equivalents			<u>(3,500,503)</u>		<u>1,183,509</u>
Cash and cash equivalents at beginning of year			<u>7,523,996</u>		<u>6,340,487</u>
Cash and cash equivalents at end of year			<u><u>4,023,493</u></u>		<u><u>7,523,996</u></u>

APPERLY ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2020

1 Accounting policies

Company information

Apperly Estates Limited is a private company limited by shares incorporated in England and Wales. The registered office is Bourbon Court, Nightingales Corner, Little Chalfont, Bucks, HP7 9QS.

The principal activity of the company continues to be property investment.

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.

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, 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.

1.2 Going concern

Given the significant impact of Covid-19 on the macro-economic conditions in which the company operates, the directors have placed a particular focus on the appropriateness of adopting the going concern basis in preparing the financial statements for the year ended 29 February 2020.

The company's going concern assessment considered its principal risks to be a reduction in rent collection, a fall in the value of its investment property and breaches of banking covenants. The assessment included the preparation of a number of plausible scenarios, which showed that the company would continue to operate profitably with sufficient retained reserves, cash resources and agreed long term bank facilities in excess of the company's requirements for the next twelve months. Under the scenarios considered it will continue to meet all banking covenants. The directors therefore continue to believe that it is appropriate to prepare the financial statements on a going concern basis.

1.3 Revenue

Rental income represents the rental charges recoverable from tenants, net of Value Added Tax. Rents received under operating leases, where substantially all of the benefits and risks remain in the company, are credited to the Income Statement on a straight line basis over the period of the lease.

Other income is recognised at the fair value of the consideration received, where it is more likely to be received than not, and is shown net of VAT and other sales related taxes.

1.4 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. Changes in fair value are recognised in profit or loss.

1.5 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and 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.

APPERLY ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 FEBRUARY 2020

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 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.

Impairment of financial assets

Financial assets, other than those held at fair value through the Income Statement, 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 the Income Statement.

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 the Income Statement.

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.

Basic financial liabilities

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 payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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. 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. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.7 Equity instruments

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

1.8 Taxation

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

APPERLY ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 FEBRUARY 2020

1 Accounting policies (Continued)

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement 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 income statement, 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.

1.9 Property Transactions

Sales and purchases of properties are recognised on exchange of unconditional contracts.

1.10 Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

In the opinion of the directors the main estimates and assumptions relate to the value at which the investment properties are included in the financial statements. The company uses external professional valuers to determine the value of its investment properties at the balance sheet date. The primary source of evidence for property valuations should be recent, comparable market transactions on an arms-length basis. However, the valuation of the company's investment properties is inherently subjective, particularly in the current economic climate, as it is based upon the valuer's assumptions, which may prove to be inaccurate.

3 Auditors' remuneration

The analysis of auditor's remuneration is as follows:

	2020	2019
	£	£
Fees payable to the company's auditors for the audit of the company's annual accounts	9,710	8,289

APPERLY ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 29 FEBRUARY 2020

4	Investment income	2020	2019
		£	£
	Interest income		
	Bank deposits	17,117	22,185
	Other interest income	371	7
	Total interest revenue	<u>17,488</u>	<u>22,192</u>
	Other income from investments		
	Dividends received	10	9
		<u>17,498</u>	<u>22,201</u>
		<u><u>17,498</u></u>	<u><u>22,201</u></u>
5	Finance costs	2020	2019
		£	£
	Interest on bank overdrafts and loans	913,382	736,463
		<u>913,382</u>	<u>736,463</u>
		<u><u>913,382</u></u>	<u><u>736,463</u></u>
6	Other gains and losses	2020	2019
		£	£
	Net gains or losses through fair value adjustments	11,864,768	470,651
		<u>11,864,768</u>	<u>470,651</u>
		<u><u>11,864,768</u></u>	<u><u>470,651</u></u>
7	Taxation	2020	2019
		£	£
	Current tax		
	UK corporation tax on profits for the current period	400,000	625,000
	Adjustments in respect of prior periods	(25,572)	(67,025)
	Total current tax	<u>374,428</u>	<u>557,975</u>
	Deferred tax		
	Change in accelerated capital allowances	209,701	12,300
	Other adjustments	3,239,182	(1,852,183)
	Total deferred tax	<u>3,448,883</u>	<u>(1,839,883)</u>
		<u><u>3,448,883</u></u>	<u><u>(1,839,883)</u></u>
	Total tax charge/(credit)	<u>3,823,311</u>	<u>(1,281,908)</u>
		<u><u>3,823,311</u></u>	<u><u>(1,281,908)</u></u>

APPERLY ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 FEBRUARY 2020

7 Taxation (Continued)

The actual charge/(credit) for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2020 £	2019 £
Profit before taxation	14,655,259	3,677,599
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	2,784,499	698,744
Adjustments in respect of prior years	(25,572)	(67,025)
Permanent capital allowances in excess of depreciation	(160,241)	(9,891)
Effect of revaluations of investments	(2,256,293)	(89,425)
Movement in deferred tax	3,448,883	(1,839,883)
Overprovision for current year	32,035	25,572
Tax expense/(credit) for the year	3,823,311	(1,281,908)

8 Dividends

Amounts recognised as distributions to equity holders:

	2020 £ per share	2019 £ per share	2020 £	2019 £
A Ordinary shares				
Interim dividends paid	1.53	1.48	915,000	888,000

The directors have recommended a dividend of 59.5p per share, being a total dividend of £357,000, should be paid on 26 June 2020 (28 June 2019: 85.00p per share - £510,000).

9 Investment property

	2020 £
Fair value	
At 1 March 2019	116,245,000
Additions at cost	9,700,230
Net gains or losses through fair value adjustments	11,864,770
At 29 February 2020	137,810,000

The investment properties were valued in February 2020 by Fletcher King plc, Chartered Surveyors, on the basis of open market value for existing use, as defined within the RICS Appraisal and Valuation Manual, which in the opinion of the directors approximates to the fair value in accordance with the principles set out in accounting policy 1.4.

APPERLY ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 FEBRUARY 2020

10	Trade and other receivables		2020	2019
	Amounts falling due within one year:		£	£
	Trade receivables		83,389	93,970
	Other receivables		592,289	599,493
			<u>675,678</u>	<u>693,463</u>

11	Investments				
		Current assets		Non-Current Assets	
		2020	2019	2020	2019
		£	£	£	£
	Unlisted investments	<u>104</u>	<u>104</u>	<u>-</u>	<u>-</u>

Unlisted investments are carried at cost, which in the opinion of the directors approximates to fair value.

12	Current liabilities		2020	2019
		Notes	£	£
	Bank loans and overdrafts	14	580,000	280,000
	Trade payables		-	6,921
	Corporation tax		104,428	255,975
	Other taxation and social security		18,112	206,987
	Dividends payable		909	643
	Other payables		192,460	19,786
	Accruals and deferred income		1,073,149	712,867
			<u>1,969,058</u>	<u>1,483,179</u>

13	Non-current liabilities		2020	2019
		Notes	£	£
	Bank loans and overdrafts	14	<u>24,070,000</u>	<u>19,875,000</u>

Amounts included above which fall due after five years are as follows:

	Payable by instalments	-	280,000
	Payable other than by instalments	15,000,000	18,475,000
		<u>15,000,000</u>	<u>18,755,000</u>

APPERLY ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 FEBRUARY 2020

14 Borrowings	2020 £	2019 £
Bank loans	24,650,000	20,155,000
Payable within one year	580,000	280,000
Payable after one year	24,070,000	19,875,000

A £3.6m loan, with a fixed interest rate of 3.09% per annum, is repayable at £45,000 per quarter over the term of the loan, with the first repayment in January 2019 and the balance being repayable in 2025, unless it is refinanced.

A £15m loan, with a fixed interest rate of 3.20% per annum, and is repayable in 2027, unless it is refinanced.

A £2m loan, with a fixed interest rate of 4.21% per annum, is repayable at £25,000 per quarter over the term of the loan, with the first repayment in April 2015 and the balance being repayable in 2025, unless it is refinanced.

During the year the company entered into additional banking facilities comprising a £5m loan, with a fixed interest rate of 3.86% and repayable at £75,000 per quarter over the term of the loan, with the first repayment in September 2019 and the balance being repayable in 2024 unless it is refinanced, and an additional £5m 5 year rolling credit facility to provide additional funds to support further investment. During the year the company utilised £nil of the facility and the facility was undrawn at 29 February 2020.

The company has a 5 year rolling credit facility in place of £7m (2019: £7m) for working capital purposes, which expires in April 2021. During the year the company utilised £nil of the facility (2019: £nil). The facility was undrawn at 29 February 2020 (2019: £nil).

The loans and rolling credit facilities are secured against certain properties owned by the company.

15 Provisions	2020 £	2019 £
Deferred tax liabilities (note 16)	13,486,317	10,037,432
	13,486,317	10,037,432

16 Deferred taxation

The following are the major deferred tax liabilities recognised by the company and movements thereon:

Balances:	Liabilities 2020 £	Liabilities 2019 £
Accelerated capital allowances	630,107	420,406
Revaluations	12,856,210	9,617,026
	13,486,317	10,037,432

APPERLY ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 FEBRUARY 2020

16	Deferred taxation		(Continued)
			2020
	Movements in the year:		£
	Liability at 1 March 2019		10,037,432
	Charge for accelerated capital allowances		209,701
	Charge for revaluation of properties		3,239,184
	Liability at 29 February 2020		<u>13,486,317</u>

The company revalues its investment properties to current market values. Should these assets be sold there would be a corresponding tax liability. Under FRS102 these amounts are fully recognised within the above deferred tax liabilities. These amounts may only become payable upon the sale of the properties, depending on the sale proceeds achieved.

17	Share capital		
		2020	2019
		£	£
	Ordinary share capital		
	Issued and fully paid		
	600,000 (2019: 600,000) A Ordinary shares of 25p each	150,000	150,000
		<u>150,000</u>	<u>150,000</u>

18	Revaluation reserve		
		2020	2019
		£	£
	At beginning of year	61,484,476	59,237,720
	Revaluation surplus arising in the year	11,864,770	470,651
	Movement on deferred tax on revaluation of investment property	(3,239,184)	1,776,105
	At end of year	<u>70,110,062</u>	<u>61,484,476</u>

In accordance with best practice the deferred tax relating to the gains on revaluation of the investment properties has been transferred to the revaluation reserve.

19	Retained earnings		
		2020	2019
		£	£
	At beginning of year	31,432,476	29,607,725
	Profit for the year	10,831,948	4,959,507
	Dividends	(915,000)	(888,000)
	Transfer to revaluation reserve	(8,625,586)	(2,246,756)
	At end of year	<u>32,723,838</u>	<u>31,432,476</u>

APPERLY ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 FEBRUARY 2020

20 Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2020	2019
	£	£
Within one year	35	35
Between two and five years	140	140
In over five years	65,304	65,339
	<u>65,479</u>	<u>65,514</u>

21 Capital commitments

At 29 February 2020 the company had contracted to pay £500,000 in respect of works to be carried out on one of the company's properties (2019: £Nil).

22 Directors' remuneration	2020	2019
	£	£
Remuneration for qualifying services	<u>311,321</u>	<u>294,150</u>

Remuneration disclosed above include the following amounts paid to the highest paid director:

Remuneration for qualifying services	<u>98,232</u>	<u>95,400</u>
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23 Directors' transactions

Dividends totalling £59,534 (2019: £58,148) were paid in the year in respect of shares held by the company's directors.

DR Apperly is a director of Arew Limited, a company which acts for the company on certain matters. DR Apperly is paid fees in relation to Arew's work for the company. Richard Merriam is the proprietor of Richard Merriam Associates, a firm which acts for the company on certain matters.

The fees paid in the year were:

Arew Limited	£36,933 (2019: £5,727)
Richard Merriam Associates	£72,747 (2019: £Nil)

At 28 February 2020 there were fees owing to Arew Limited totalling £13,134 (2019: £nil).

The fees payable for all these services are calculated on normal commercial bases.

APPERLY ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 29 FEBRUARY 2020

24	Cash generated from operations		2020 £	2019 £
	Profit for the year		10,831,948	4,959,507
	Adjustments for:			
	Tax expense recognised in profit or loss		3,823,311	(1,281,908)
	Finance costs recognised in profit or loss		913,382	736,463
	Investment income recognised in profit or loss		(17,498)	(22,201)
	Other gains and losses		(11,864,768)	(470,651)
	Movements in working capital:			
	Decrease in trade and other receivables		18,608	143,956
	Increase in trade and other payables		164,737	18,282
	Cash generated from operations		<u>3,869,720</u>	<u>4,083,448</u>
25	Analysis of changes in net debt			
		1 March 2019 £	Cash flows £	29 February 2020 £
	Cash at bank and in hand	7,523,996	(3,500,503)	4,023,493
	Borrowings excluding overdrafts	(20,155,000)	(4,495,000)	(24,650,000)
		<u>(12,631,004)</u>	<u>(7,995,503)</u>	<u>(20,626,507)</u>
26	Events after the reporting date			

In December 2019, a novel strain of coronavirus surfaced, and has spread around the world, with resulting business and social disruption. The coronavirus was declared a Public Health Emergency of International Concern by the World Health Organization on 30 January 2020, and the United Kingdom was placed in "lockdown" on 23 March 2020. The operations and business results of the company could be adversely affected, although the directors have taken and are continuing to take appropriate actions to safeguard the company. The extent to which the coronavirus may impact business activity or investment results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the actions required to contain the coronavirus or treat its impact, among others.