REGISTERED NUMBER: 00157366 (England and Wales)

Directors' Report and

Financial Statements

for the Year Ended 28 February 2021

for

Apperly Estates Limited

Contents of the Financial Statements
for the Year Ended 28 February 2021

Company Information
for the Year Ended 28 February 2021

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
REGISTERED OFFICE:	Bourbon Court Nightingales Corner Little Chalfont HP7 9QS
REGISTERED NUMBER:	00157366 (England and Wales)
SENIOR STATUTORY AUDITOR:	Christine Dobson
INDEPENDENT AUDITOR:	Crowe U.K. LLP Aquis House 49 - 51 Blagrave Street Reading Berkshire RG1 1PL
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

Directors' Report
for the Year Ended 28 February 2021

The directors present their report with the financial statements of the Company for the year ended 28 February 2021.

PRINCIPAL ACTIVITY
The principal activity of the Company in the year under review was that of property investment.

REVIEW OF BUSINESS

Results
The Board is pleased to report a robust set of results for the year ended 28 February 2021, despite the impact of the Covid-19 pandemic and economic lockdowns on the Company's business and the activities of its tenants.

This year has seen a 3.8% decline in Rental income to £4.8m principally due to rent concessions granted to several tenants encountering significant financial difficulties as a result of the Covid-19 pandemic. The Company continues to benefit from a low level of vacancy across its Investment portfolio.

The Board reacted swiftly to the potential impact of the pandemic on its business, reducing both property costs and administrative costs where appropriate. As a result, Gross profit increased by 5.2% to £4.6m, and Revenue profit increased by 17.2% to £3.3m, which the directors consider to be highly satisfactory.

During the year the Company's net assets declined by 3.7% to £99.2m. The Company experienced a 5.2% decline in the value of its Investment properties, with reductions across all its London properties, partly offset by increases on its Non-London, mainly warehousing/industrial properties. During the year we disposed of our property at 50 Britton Street, London EC1, which added to the Company's cash resources ending the year up £3.0m at £7.0m.

The results for the year are shown on page 6.

Prospects
With the United Kingdom emerging slowly from its third lockdown due to the Covid-19 pandemic, the Board will continue to monitor closely the impact of Covid-19 on its business and the activities of its tenants. We are continuing to track each quarterly rent collection. For the March 2021 quarter, we have made a very small number of rent concessions to those tenants still experiencing financial difficulties. As of 14th May 2021, we have collected approximately 93% of the March 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 will continue to be well placed to weather any further economic problems caused by the pandemic, albeit we will continue to remain vigilant given its unpredictable nature.

DIRECTORS
The directors shown below have held office during the whole of the period from 1 March 2020 to the date of this report.

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

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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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.

Directors' Report
for the Year Ended 28 February 2021

STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued

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 AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Company's auditor is unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

AUDITOR

The auditor, Crowe U.K. LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

BY ORDER OF THE BOARD:

....
Rachel Azcona BSc - Secretary

Date: 21 May 2021

Report of the Independent Auditor to the Members of
Apperly Estates Limited (Registered number: 00157366)

OPINION
We have audited the financial statements of Apperly Estates Limited (the 'Company') for the year ended 28 February 2021 which comprise the Income Statement, Statement of Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, 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 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 28 February 2021 and of its loss 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 responsibilities for the audit of the financial statements section of my 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
In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

OTHER INFORMATION
The directors are responsible for the other information. The other information comprises the information in the Directors' Report, but does not include 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 this gives rise to a material misstatement in the financial statements themselves. 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 I AM 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 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 my 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' exemption from the requirement to prepare a Strategic Report or in preparing the Directors' Report.

RESPONSIBILITIES OF DIRECTORS
As explained more fully in the Statement of Directors' Responsibilities set out on pages two and three, 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 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.

Irregularities, including fraud, are instances of non compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We obtained an understanding of the legal and regulatory frameworks within which the Company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 and taxation legislation.

We identified the greatest risks of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management and inappropriate revenue recognition. Our audit procedures to respond to the risk of management override of controls included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals and reviewing accounting estimates for biases. Our audit procedures to respond to revenue recognition risks included sample testing rental income across the year to agree to supporting documentation, and recalculating a sample of deferred and accrued income balances to ensure revenue has been recognised correctly.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at 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 (Senior Statutory Auditor)
for and on behalf of Crowe U.K. LLP
Aquis House
49 - 51 Blagrave Street
Reading
Berkshire
RG1 1PL

Date: 21 May 2021

Income Statement
for the Year Ended 28 February 2021

	Notes	2021 £	2020 £
RENTAL INCOME	4	4,841,559	5,033,308
Outgoings less recoveries		(251,544)	(669,271)
GROSS PROFIT		4,590,015	4,364,037
Administrative expenses		(542,628)	(686,710)
		4,047,387	3,677,327
Other operating income		9,151	9,048
OPERATING PROFIT		4,056,538	3,686,375
Other income	6	134,865	10
Interest receivable and similar income		3,569	17,488
		4,194,972	3,703,873
Interest payable and similar expenses	7	(923,649)	(913,382)
REVENUE PROFIT		3,271,323	2,790,491
(Loss)/gain on revaluation of Investment properties	11	(7,115,500)	11,864,768
(LOSS)/PROFIT BEFORE TAXATION		(3,844,177)	14,655,259
Tax on (loss)/profit	9	861,877	(3,823,311)
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		(2,982,300)	10,831,948

Statement of Other Comprehensive Income
for the Year Ended 28 February 2021

	Notes	2021 £	2020 £
(LOSS)/PROFIT FOR THE YEAR		(2,982,300)	10,831,948
Other comprehensive income		-	-
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR		(2,982,300)	10,831,948

The notes on pages 11 to 19 form part of these financial statements

Statement of Financial Position
28 February 2021

	Notes	2021 £	2020 £
FIXED ASSETS			
Investment properties	11	128,860,000	137,810,000
CURRENT ASSETS			
Debtors	12	857,659	675,678
Investments	13	103	104
Cash at bank		6,980,287	4,023,493
		7,838,049	4,699,275
CREDITORS			
Amounts falling due within one year	14	(1,999,992)	(1,969,058)
NET CURRENT ASSETS		5,838,057	2,730,217
TOTAL ASSETS LESS CURRENT LIABILITIES		134,698,057	140,540,217
CREDITORS			
Amounts falling due after more than one year	15	(23,490,000)	(24,070,000)
PROVISIONS	18	(12,028,457)	(13,486,317)
NET ASSETS		99,179,600	102,983,900
CAPITAL AND RESERVES			
Share capital	19	150,000	150,000
Revaluation reserve	20	64,457,972	70,110,062
Retained earnings	20	34,571,628	32,723,838
SHAREHOLDERS' FUNDS		99,179,600	102,983,900

The financial statements were approved by the Board of Directors and authorised for issue on 21 May 2021 and were signed on its behalf by:

....
David Apperly MA MRICS, Chairman - Director

Statement of Changes in Equity
for the Year Ended 28 February 2021

	Share capital £	Retained earnings £	Revaluation reserve £	Total equity £
Balance at 1 March 2019	150,000	31,432,476	61,484,476	93,066,952
Changes in equity				
Dividends	-	(915,000)	-	(915,000)
Total comprehensive income	-	2,206,362	8,625,586	10,831,948
Balance at 29 February 2020	150,000	32,723,838	70,110,062	102,983,900
Changes in equity				
Dividends	-	(822,000)	-	(822,000)
Total comprehensive loss (note 20)	-	2,669,790	(5,652,090)	(2,982,300)
Balance at 28 February 2021	150,000	34,571,628	64,457,972	99,179,600

Statement of Cash Flows
for the Year Ended 28 February 2021

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	24	3,693,266	3,869,720
Interest paid		(933,030)	(740,708)
Corporation tax paid		(375,448)	(525,973)
Net cash from operating activities		2,384,788	2,603,039
Cash flows from investing activities			
Purchase of investment property		(500)	(9,700,230)
Sale of investment property		1,969,862	-
Interest received		4,624	16,663
Dividends received		4	10
Net cash from investing activities		1,973,990	(9,683,557)
Cash flows from financing activities			
Proceeds of new bank loans		-	5,000,000
Repayment of bank loans		(580,000)	(505,000)
Dividends paid to shareholders		(821,984)	(914,985)
Net cash from financing activities		(1,401,984)	3,580,015
Increase/(decrease) in cash and cash equivalents		2,956,794	(3,500,503)
Cash and cash equivalents at beginning of year	25	4,023,493	7,523,996
Cash and cash equivalents at end of year	25	6,980,287	4,023,493

The notes on pages 11 to 19 form part of these financial statements

Notes to the Financial Statements
for the Year Ended 28 February 2021

1. **COMPANY INFORMATION**

Apperly Estates Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. **ACCOUNTING POLICIES**

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 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 are set out below.

GOING CONCERN
Given the continuing significant impact of Covid-19 on the macro-economic conditions in which the Company operates, the directors continue to place a particular focus on the appropriateness of adopting the going concern basis in preparing the financial statements for the year ended 28 February 2021.

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 ten-year cash flow forecast for the business, reviewing the impact of the pandemic on the Company's business in the last twelve months, and stress testing the forecasts for the next two financial years for our principal risks. The assessment 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 and would continue to meet all its banking covenants. The directors therefore continue to believe that it is appropriate to prepare the financial statements on a going concern basis.

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. Rental income is stated net of any concessions granted to tenants as a result of the Covid-19 pandemic.

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.

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.

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

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.

continued...

2. **ACCOUNTING POLICIES - continued**

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 and Other 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.

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 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.

continued...

2. **ACCOUNTING POLICIES - continued**

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.

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.

3. **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.

4. **RENTAL INCOME**

The Rental income and Loss (2020: Profit) before taxation are attributable to the one principal activity of the Company.

5. **EMPLOYEES AND DIRECTORS**

	2021	2020
	£	£
Wages and salaries	308,380	311,321
Social security costs	27,273	28,806
	335,653	340,127

The average number of employees during the year was as follows:

	2021	2020
Directors	7	7

	2021	2020
	£	£
Directors' remuneration	308,380	311,321

continued...

5. **EMPLOYEES AND DIRECTORS - continued**

Information regarding the highest paid director is as follows:

	2021	2020
	£	£
	98,232	98,232

6. **OTHER INCOME**

	2021	2020
	£	£
Dividends receivable	4	10
Profit on disposal of property	134,861	-
	134,865	10

7. **INTEREST PAYABLE AND SIMILAR EXPENSES**

	2021	2020
	£	£
Bank interest on loans and overdrafts	923,649	913,382
	923,649	913,382

8. **AUDITORS' REMUNERATION**

	2021	2020
	£	£
Fees payable to the Company's auditor for the audit of the Company's financial statements	8,550	9,710

9. **TAXATION**

Analysis of the tax (credit)/charge
The tax (credit)/charge on the loss for the year was as follows:

	2021	2020
	£	£
Current tax:		
UK corporation tax	595,982	374,428
Deferred tax	(1,457,859)	3,448,883
Tax on (loss)/profit	(861,877)	3,823,311

RECONCILIATION OF TOTAL TAX (CREDIT)/CHARGE INCLUDED IN PROFIT AND LOSS
The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2021	2020
	£	£
(Loss)/profit before tax	(3,844,177)	14,655,259
(Loss)/profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	(730,394)	2,784,499
Effects of:		
Capital allowances in excess of depreciation	(6,580)	(160,241)
Adjustments in respect of prior years	(29,018)	(25,572)
Effect of revaluations of investments	1,351,946	(2,256,293)
Movement in deferred tax	(1,457,856)	3,448,883
Overprovision for current year	35,650	32,035
Gain on property sold covered by losses	(25,625)	-
Total tax (credit)/charge	(861,877)	3,823,311

continued...

10. DIVIDENDS

	2021	2020
	£	£
Ordinary share capital shares of 25p each		
Interim (£1.37 per share (2020: £1.53 per share))	822,000	915,000
	822,000	915,000

The directors have recommended a dividend of 77.5p per share, being a total dividend of £465,000, payable on 28 June 2021 (26 June 2020: 59.5p per share - £357,000).

11. INVESTMENT PROPERTIES

	Total
	£
FAIR VALUE	
At 1 March 2020	137,810,000
Additions	500
Disposals at valuation	(1,835,000)
Net gains or losses through fair value adjustments	(7,115,500)
At 28 February 2021	128,860,000
NET BOOK VALUE	
At 28 February 2021	128,860,000
At 29 February 2020	137,810,000

The Investment properties were valued in February 2021 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.

If Investment properties had not been revalued then they would have been included at historic cost of £51,410,046 (2020: £52,623,107).

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Trade receivables	26,522	83,389
Other receivables	831,137	592,289
	857,659	675,678

13. INVESTMENTS

	2021	2020
	£	£
Unlisted investments	103	104

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

continued...

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Bank loans and overdrafts (see note 16)	580,000	580,000
Corporation tax	324,962	104,428
Other taxation and social security	194,481	18,112
Other payables	183,082	192,460
Dividends payable	925	909
Accruals and deferred income	716,542	1,073,149
	1,999,992	1,969,058

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021	2020
	£	£
Bank loans (see note 16)	23,490,000	24,070,000

16. LOANS

An analysis of the maturity of loans is given below:

	2021	2020
	£	£
Amounts falling due within one year or on demand:		
Bank loans	580,000	580,000
Amounts falling due between two and five years:		
Bank loans	8,490,000	9,070,000
Amounts falling due in more than five years:		
Repayable otherwise than by instalments		
Bank loans	15,000,000	15,000,000

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, 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 ended on 28th February 2020 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 a £5m 5 year rolling credit facility to provide additional funds to support further investment. During the year the Company utilised £nil of the facility (2020: £nil). The facility was undrawn at 28th February 2021 (2020: £nil).

The Company has a 5 year rolling credit facility in place of £7m (2020: £7m) for working capital purposes, which expires in April 2021. During the year the Company utilised £Nil of the facility (2020: £Nil). The facility was undrawn at 28 February 2021 (2020: £Nil).

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

continued...

17. OPERATING LEASE COMMITMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2021 £	2020 £
Within one year	35	35
Between one and five years	140	140
In more than five years	65,269	65,304
	65,444	65,479

18. PROVISIONS

	2021 £	2020 £
Deferred tax		
Accelerated capital allowances	635,657	630,107
Revaluations	11,392,800	12,856,210
	12,028,457	13,486,317

	£
Balance at 1 March 2020	13,486,317
Accelerated capital allowance	5,550
Revaluation of properties	(1,341,537)
Released on sale of property	(121,873)
Balance at 28 February 2021	12,028,457

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.

19. SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2021 £	2020 £
600,000	Ordinary share capital	25p	150,000	150,000

20. RESERVES

	Retained earnings £	Revaluation reserve £	Totals £
At 1 March 2020	32,723,838	70,110,062	102,833,900
Deficit for the year	(2,982,300)	-	(2,982,300)
Dividends	(822,000)	-	(822,000)
Transfer	5,652,090	(5,010,652)	641,438
Released on sale of property	-	(641,438)	(641,438)
At 28 February 2021	34,571,628	64,457,972	99,029,600

In accordance with best practice the deferred tax relating to the losses on revaluation of the Investment properties has been transferred to the Revaluation reserve.

continued...

21. CAPITAL COMMITMENTS

At 28 February 2021 the company had contracted to pay £500,000 in respect of works to be carried out on one of the Company's properties (2020: £500,000).

22. DIRECTORS' TRANSACTIONS

During the year, total dividends of £53,371 (2020: £59,534) were paid to the directors.

David Apperly is a director of Arew Limited, a company which acts for the Company on certain matters. Arew is paid fees in relation to its 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 £42,919 (2020: £36,933)
Richard Merriam Associates £Nil (2020: £72,747)

At 28 February 2021 there were fees owing to Arew Limited totalling £10,956 (2020: £13,134).

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

23. ULTIMATE CONTROLLING PARTY

In the opinion of the directors there is no ultimate controlling party due to no single shareholder owning a majority of the shares and therefore being able to exert control.

24. RECONCILIATION OF (LOSS)/PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2021	2020
	£	£
(Loss)/profit before taxation	(3,844,177)	14,655,259
Loss/(gain) on revaluation of Investment properties	7,115,500	(11,864,768)
Interest payable and similar expenses	923,649	913,382
Interest receivable and other income	(138,434)	(17,498)
	4,056,538	3,686,375
(Increase)/decrease in debtors	(183,033)	18,608
(Decrease)/increase in creditors	(180,239)	164,737
Cash generated from operations	3,693,266	3,869,720

25. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 28 February 2021

	28.2.21	1.3.20
	£	£
Cash and cash equivalents	6,980,287	4,023,493

Year ended 29 February 2020

	29.2.20	1.3.19
	£	£
Cash and cash equivalents	4,023,493	7,523,996

continued...

Notes to the Financial Statements - continued
for the Year Ended 28 February 2021

26. ANALYSIS OF CHANGES IN NET DEBT

	At 1.3.20	Cash flow	Other non-cash changes	At 28.2.21
	£	£	£	£
Net cash				
Cash at bank	4,023,493	2,956,794	-	6,980,287
	4,023,493	2,956,794	-	6,980,287
Liquid resources				
Current asset investments	104	-	(1)	103
	104	-	(1)	103
Debt				
Debts falling due within 1 year	(580,000)	-	-	(580,000)
Debts falling due after 1 year	(24,070,000)	580,000	-	(23,490,000)
	(24,650,000)	580,000	-	(24,070,000)
Total	(20,626,403)	3,536,794	(1)	(17,089,610)