

**Report of the Directors and
Financial Statements
for the Year Ended 29 February 2024
for
APPERLY ESTATES LIMITED**

APPERLY ESTATES LIMITED

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for the year ended 29 February 2024**

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APPERLY ESTATES LIMITED

**Company Information
for the year ended 29 February 2024**

Directors: D R Apperly MA MRICS, Chairman
R C Azcona BSc
E Dale-Jones MA, MRICS, Managing Director
J C B Houlton BSc, ACA, Finance Director
C O M Mullineux BA, BArch, DIP, RIBA, ARB
A P M Mullineux MEng
A C Winkfield

Secretary: R C Azcona BSc

Registered office: 3 Danebrook Court
Langford Lane
Kidlington
Oxford
OX5 1LQ

Registered number: 00157366 (England and Wales)

Auditors: Crowe U.K. LLP
Chartered Accountants & Statutory Auditor
Aquis House
49-51 Blagrove Street
Reading
Berks
RG1 1PL

Bankers: Handlesbanken
London West End Branch
3rd Floor
Jermyn Street
London
SW1Y 6JD

Barclays Bank plc
16 – 18 St Peters Street
St Albans
Herts
AL3 4DZ

Natwest plc
PO Box 12258
1 Princes Street
London
EC2R 8PA

APPERLY ESTATES LIMITED

Report of the Directors for the year ended 29 February 2024

The directors present their report with the financial statements of the company for the year ended 29 February 2024.

Principal activity

The principal activity of the company continued to be that of property investment.

Review of business

The Board is pleased to report another robust set of results for the year ended 29 February 2024, despite the continuing global economic and political uncertainties caused by the elevated level of geopolitical conflicts, high levels of inflation and raised interest rates.

Rental income for the year increased by 10.9% to £5.3m principally due to the rent review at 174 New Bond Street, London W1, the rent from the additional industrial unit at Wildmere Road, Banbury and circa three months income from the newly acquired retail units in Winchester.

Outgoings less recoveries were significantly higher largely due to refurbishing three vacant units, all of which are now occupied or under offer. Administrative expenses were also higher as a result of a number of non-recurring costs, as well as the appointment of a Managing Director in June 2023.

As a result, Revenue profit decreased by 7.7% to £2.8m, which the directors consider to be satisfactory.

The Company's cash balances decreased over the year by £9.1m to £2.8m. In December 2023, the Company acquired seven high street retail units in Winchester for a purchase price of £8.2m. In addition the Company has started the construction of a pre-let industrial unit at Redwing Court, Huntingdon.

During the year the Company's Net Assets declined by 4.7% to £89.9m. Taking into account the monies invested during the year, the Company experienced a 5.1% decrease in the value of its existing properties, which can largely be attributable to the impact of increased interest rates on property yields across its portfolio.

The results for the year are shown on page 7.

Future developments

The Board will continue to monitor closely the impact of the current economic uncertainties on its business and the activities of its tenants. We monitor each quarterly rent collection, and as of 24 May 2024 we have collected 96% of the March quarter rent roll.

On 3 May 2024 the Company repaid its term loan of £3.6m with NatWest Bank and entered into a 5-year £10m revolving credit facility. With our agreed long-term banking facilities, low level of gearing and diversified portfolio of investment properties and tenants, the Board believes that the Company will continue to be well placed to weather any further problems caused by the current economic uncertainties.

Directors

The directors shown below have held office during the whole of the period from 1 March 2023 to the date of this report.

D R Apperly MA MRICS, Chairman
R C Azcona BSc
J C B Houlton BSc, ACA, Finance Director
C O M Mullineux BA, BArch, DIP, RIBA, ARB
A P M Mullineux MEng
A C Winkfield

Other changes in directors holding office are as follows:

R H F Merriam FRICS - resigned 29 June 2023
J V R Stevenson MRICS - resigned 30 September 2023
E Dale-Jones MA, MRICS, Managing Director - appointed 1 September 2023

APPERLY ESTATES LIMITED

Report of the Directors for the year ended 29 February 2024

Directors' responsibilities statement

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

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 auditors are 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 auditors are aware of that information.

Auditors

The auditors, 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:



R C Azcona BSc - Director
31 May 2024

**Report of the Independent Auditors 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 2024 which comprise the Income Statement, 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 29 February 2024 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 Auditors' 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

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 Report of the Directors, but does not include the financial statements and our Report of the Auditors 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has been prepared in accordance with applicable legal requirements.

Report of the Independent Auditors 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 Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 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.

Auditors' 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 a Report of the Auditors 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.

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 Report of the Auditors.

**Report of the Independent Auditors to the Members of
Apperly Estates Limited**

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 a Report of the Auditors 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 Crowe U.K. LLP
Chartered Accountants & Statutory Auditor
Aquis House
49-51 Blagrove Street
Reading
Berks
RG1 1PL

31 May 2024

APPERLY ESTATES LIMITED

Income Statement
for the year ended 29 February 2024

	Notes	2024 £	2023 £
Rental income	4	5,260,868	4,745,435
Outgoings less recoveries		<u>(758,127)</u>	<u>(326,790)</u>
Net property income		4,502,741	4,418,645
Administrative expenses		(1,112,804)	(607,915)
Other operating income		<u>10,391</u>	<u>11,072</u>
Operating profit	7	3,400,328	3,821,802
Investment income	9	344,571	154,677
Finance costs	10	<u>(953,807)</u>	<u>(953,931)</u>
Revenue profit		2,791,092	3,022,548
Other gains and losses		<u>(6,777,270)</u>	<u>(6,005,848)</u>
Loss before taxation		(3,986,178)	(2,983,300)
Tax on loss	11	<u>449,130</u>	<u>516,094</u>
Loss for the financial year		<u><u>(3,537,048)</u></u>	<u><u>(2,467,206)</u></u>

The notes form part of these financial statements

APPERLY ESTATES LIMITED

Other Comprehensive Income
for the year ended 29 February 2024

	Notes	2024 £	2023 £
Loss for the year		(3,537,048)	(2,467,206)
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive loss for the year		<u>(3,537,048)</u>	<u>(2,467,206)</u>

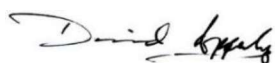
The notes form part of these financial statements

APPERLY ESTATES LIMITED (REGISTERED NUMBER: 00157366)

Statement of Financial Position
29 February 2024

	Notes	£	2024 £	£	2023 £
Fixed assets					
Tangible assets	14		1,038		-
Investment properties	15		<u>129,825,000</u>		<u>126,470,000</u>
			129,826,038		126,470,000
Current assets					
Trade and other receivables	16	1,030,403		1,116,261	
Investments	17	106		106	
Cash at bank		<u>2,829,093</u>		<u>11,974,258</u>	
		3,859,602		13,090,625	
Current liabilities	18	<u>(8,549,181)</u>		<u>(2,769,617)</u>	
Net current (liabilities)/assets			<u>(4,689,579)</u>		<u>10,321,008</u>
Total assets less current liabilities			125,136,459		136,791,008
Non-current liabilities	19		<u>(22,051,117)</u>		<u>(28,355,000)</u>
Provisions for liabilities	22		<u>(13,178,100)</u>		<u>(14,073,719)</u>
Net assets			<u>89,907,242</u>		<u>94,362,289</u>
Capital and reserves					
Called up share capital	23		150,000		150,000
Revaluation reserve			50,035,567		55,674,129
Retained earnings			<u>39,721,675</u>		<u>38,538,160</u>
Shareholders' funds			<u>89,907,242</u>		<u>94,362,289</u>

The financial statements were approved by the Board of Directors and authorised for issue on 31 May 2024 and were signed on its behalf by:



D R Apperly MA MRICS - Chairman

The notes form part of these financial statements

APPERLY ESTATES LIMITED

Statement of Changes in Equity
for the year ended 29 February 2024

	Called up share capital £	Retained earnings £	Revaluation reserve £	Total equity £
Balance at 1 March 2022	150,000	36,739,147	60,810,348	97,699,495
Changes in equity				
Dividends	-	(870,000)	-	(870,000)
Total comprehensive loss	-	(2,467,206)	-	(2,467,206)
Revaluation gains / (deficits) arising in the year	-	6,229,799	(6,229,799)	-
Deferred tax movements on revaluation gains / (deficits)	-	(1,093,580)	1,093,580	-
Balance at 28 February 2023	<u>150,000</u>	<u>38,538,160</u>	<u>55,674,129</u>	<u>94,362,289</u>
Changes in equity				
Dividends	-	(918,000)	-	(918,000)
Total comprehensive loss	-	(3,537,048)	-	(3,537,048)
Revaluation gains / (deficits) arising in the year	-	6,777,270	(6,777,270)	-
Deferred tax movements on revaluation gains / (deficits)	-	(1,138,708)	1,138,708	-
Balance at 29 February 2024	<u>150,000</u>	<u>39,721,675</u>	<u>50,035,567</u>	<u>89,907,242</u>

The notes form part of these financial statements

APPERLY ESTATES LIMITED

Statement of Cash Flows
for the year ended 29 February 2024

	Notes	2024 £	2023 £
Cash flows from operating activities			
Cash generated from operations	27	3,694,707	3,960,118
Interest paid		(913,144)	(955,264)
Tax paid		(673,106)	(586,178)
Net cash from operating activities		<u>2,108,457</u>	<u>2,418,676</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(1,557)	-
Additions to investment properties		(10,173,729)	(3,179,797)
Capital receipts		-	223,949
Interest received		419,564	154,669
Dividends received		12	8
Net cash from investing activities		<u>(9,755,710)</u>	<u>(2,801,171)</u>
Cash flows from financing activities			
New loans in year		5,000,000	-
Repayment of bank loans		(5,580,000)	(580,000)
Equity dividends paid		(917,912)	(869,935)
Net cash from financing activities		<u>(1,497,912)</u>	<u>(1,449,935)</u>
Decrease in cash and cash equivalents			
Cash and cash equivalents at beginning of year	28	<u>11,974,258</u>	<u>13,806,688</u>
Cash and cash equivalents at end of year	28	<u><u>2,829,093</u></u>	<u><u>11,974,258</u></u>

The notes form part of these financial statements

APPERLY ESTATES LIMITED

Notes to the Financial Statements for the year ended 29 February 2024

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 (£).

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

2. Accounting policies

Accounting convention

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006.

The financial statements have been prepared under the historical cost convention, modified to include investment properties and certain financial instruments at fair value. The principal accounting policies are set out below.

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.

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 direct attributable expenditure. Subsequently it is measured at fair value at the reporting end date. Changes in fair value are recognised in the Income Statement.

APPERLY ESTATES LIMITED

Notes to the Financial Statements - continued for the year ended 29 February 2024

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 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 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 substantially enacted by the reporting end date.

APPERLY ESTATES LIMITED

Notes to the Financial Statements - continued for the year ended 29 February 2024

2. Accounting policies – continued

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.

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 twelve months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Property transactions

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

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.

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.

Going concern

Given the continuing global economic and political uncertainties caused by the elevated level of geopolitical conflicts, high levels of inflation and raised interest rates, 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 29 February 2024.

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 and the reviewing of the forecasts for the next two financial years for our principal risks using sensitivity analyses.

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.

APPERLY ESTATES LIMITED

**Notes to the Financial Statements - continued
for the year ended 29 February 2024**

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 before taxation (2023: loss) are attributable to the principal activity of the Company.

5. Employees and directors

	2024	2023
	£	£
Wages and salaries	749,598	347,704
Social security costs	<u>61,388</u>	<u>32,109</u>
	<u>810,986</u>	<u>379,813</u>

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

	2024	2023
Employees (including directors)	<u>8</u>	<u>8</u>

6. Directors' emoluments

	2024	2023
	£	£
Directors' remuneration	<u>705,088</u>	<u>345,204</u>

Information regarding the highest paid director is as follows:

	2024	2023
	£	£
Remuneration for qualifying services	<u>273,388</u>	<u>103,704</u>

APPERLY ESTATES LIMITED

Notes to the Financial Statements - continued
for the year ended 29 February 2024

7. **Operating profit**

The operating profit is stated after charging:

	2024	2023
	£	£
Depreciation - owned assets	<u>519</u>	<u>-</u>

8. **Auditors' remuneration**

Fees payable to the company's auditors for the audit of the company's financial statements

2024	2023
£	£
<u>18,000</u>	<u>13,000</u>

9. **Investment income**

Deposit account interest
Other interest receivable
Dividend income

2024	2023
£	£
338,175	154,373
6,384	296
12	8
<u>344,571</u>	<u>154,677</u>

10. **Finance costs**

Interest on bank overdrafts
and loans

2024	2023
£	£
<u>953,807</u>	<u>953,931</u>
<u>953,807</u>	<u>953,931</u>

11. **Taxation**

Analysis of the tax credit

The tax credit on the loss for the year was as follows:

	2024	2023
	£	£
Current tax:		
UK corporation tax	611,135	600,000
Prior year adjustment	<u>(164,646)</u>	<u>(28,845)</u>
Total current tax	446,489	571,155
Deferred tax	<u>(895,619)</u>	<u>(1,087,249)</u>
Tax on loss	<u>(449,130)</u>	<u>(516,094)</u>

APPERLY ESTATES LIMITED

Notes to the Financial Statements - continued
for the year ended 29 February 2024

11. **Taxation - continued**

Reconciliation of total tax credit included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2024 £	2023 £
Loss before tax	<u>(3,986,178)</u>	<u>(2,983,300)</u>
Loss multiplied by the standard rate of corporation tax in the UK of 24.49% (2023 – 19.00%)	(976,215)	(566,827)
Effects of:		
Expenses not deductible for tax purposes	6,014	-
Capital allowances in excess of depreciation	(78,464)	(4,811)
Adjustments to tax charge in respect of previous periods	(164,646)	(28,845)
Effect of revaluation of investments	1,659,799	1,141,111
Movement in deferred tax	(895,618)	(1,087,249)
Overprovision for current year	-	30,527
Total tax credit	<u>(449,130)</u>	<u>(516,094)</u>

12. **Dividends**

	2024 £	2023 £
A Ordinary shares of 0.25 each Interim	<u>918,000</u>	<u>870,000</u>

Interim dividends paid in the year were £1.53 per share (2023: £1.45 per share).

The directors have recommended a dividend of 88p per share, being a total dividend of £528,000, payable on 28th June 2024 (2023: 83p per share - £498,000.)

13. **Other gains and losses**

	2024 £	2023 £
Capital receipts	-	223,949
Net (losses) through fair value adjustments	<u>(6,777,270)</u>	<u>(6,229,797)</u>
	<u>(6,777,270)</u>	<u>(6,005,848)</u>

APPERLY ESTATES LIMITED

Notes to the Financial Statements - continued
for the year ended 29 February 2024

14.	Tangible fixed assets		Computer equipment £
	Cost		
	Additions		<u>1,557</u>
	At 29 February 2024		<u>1,557</u>
	Depreciation		
	Charge for year		<u>519</u>
	At 29 February 2024		<u>519</u>
	Net book value		
	At 29 February 2024		<u>1,038</u>

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Computer equipment - 3 years

15.	Investment properties		Total £
	Fair value		
	At 1 March 2023		126,470,000
	Additions		10,132,270
	Revaluations		<u>(6,777,270)</u>
	At 29 February 2024		<u>129,825,000</u>
	Net book value		
	At 29 February 2024		<u>129,825,000</u>
	At 28 February 2023		<u>126,470,000</u>

The investment properties were valued in February 2024 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 the accounting policy.

If investment properties had not been revalued then they would have been included at historic cost of £65,483,911 (2023: £55,351,641).

16.	Debtors: amounts falling due within one year		2024 £	2023 £
	Trade debtors		164,079	14,743
	Other receivables		<u>866,324</u>	<u>1,101,518</u>
			<u>1,030,403</u>	<u>1,116,261</u>

APPERLY ESTATES LIMITED

Notes to the Financial Statements - continued
for the year ended 29 February 2024

17.	Current asset investments		
		2024	2023
		£	£
	Unlisted investments	<u>106</u>	<u>106</u>

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

18.	Current liabilities		
		2024	2023
		£	£
	Bank loans and overdrafts (see note 20)	6,330,000	580,000
	Trade creditors	561,631	258,623
	Corporation tax	104,076	337,078
	Social security and other taxes	19,336	11,141
	VAT	87,740	66,331
	Dividends payable	1,242	1,108
	Other payables	535,747	927,385
	Accruals	277,480	93,811
	Deferred income	<u>631,929</u>	<u>494,140</u>
		<u>8,549,181</u>	<u>2,769,617</u>

19.	Non-current liabilities		
		2024	2023
		£	£
	Bank loans (see note 20)	22,025,000	28,355,000
	Other creditors	<u>26,117</u>	<u>-</u>
		<u>22,051,117</u>	<u>28,355,000</u>

20. **Loans**

An analysis of the maturity of loans is given below:

		2024	2023
		£	£
	Amounts falling due within one year or on demand	6,330,000	580,000
	Amounts falling due after one year	<u>22,025,000</u>	<u>28,355,000</u>
		<u>28,355,000</u>	<u>28,935,000</u>

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 January 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.

APPERLY ESTATES LIMITED

Notes to the Financial Statements - continued
for the year ended 29 February 2024

20. **Loans - continued**

A £7.375m loan, with a fixed interest rate 2.36% per annum, is repayable at £25,000 per quarter over the term of the loan, with the first repayment in November 2021 and the balance being repayable in 2031 unless it is refinanced.

A £5m loan, with a fixed interest rate of 3.66% 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 April 2024 unless it is refinanced.

A £5m 5-year revolving credit facility to provide additional funds to support further investment. During the year the Company utilised and repaid £5m of the facility (2023: £nil). The facility was undrawn at 29th February 2024 (2023: £nil).

Subsequent to the year-end, both the £5m loan and the £5m 5-year revolving credit facility have been re-financed with a £10m 5-year revolving credit facility expiring in April 2029.

The loans and revolving credit facility are secured against certain properties owned by the Company.

21. **Leasing agreements**

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

	2024	2023
	£	£
Within one year	35	35
Between one and five years	140	140
In more than five years	<u>65,126</u>	<u>65,199</u>
	<u>65,301</u>	<u>65,374</u>

22. **Provisions for liabilities**

	2024	2023
	£	£
Deferred tax:		
Accelerated capital allowances	1,093,200	850,111
Revaluations	<u>12,084,900</u>	<u>13,223,608</u>
	<u>13,178,100</u>	<u>14,073,719</u>

	Deferred tax
	£
Balance at 1 March 2023	14,073,719
Charge for accelerated capital allowances	243,089
Charge for revaluation of properties	<u>(1,138,708)</u>
Balance at 29 February 2024	<u>13,178,100</u>

23. **Called up share capital**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2024	2023
			£	£
600,000	A Ordinary	0.25	<u>150,000</u>	<u>150,000</u>

APPERLY ESTATES LIMITED

**Notes to the Financial Statements - continued
for the year ended 29 February 2024**

24. Capital commitments

	2024	2023
	£	£
Contracted but not provided for in the financial statements	<u>1,239,621</u>	<u>17,185</u>

25. Directors' transactions

During the year, total dividends of £66,955 (2023 : £63,153) were paid to the directors.

David Apperly is a director of Arew Limited, a company which acts for the Company on certain matters. Arew Limited is paid fees in relation to its work for the Company. Jonathan Houlton is a director of WH Consultancy Services Limited, a company which acts for the Company on certain matters. WH Consultancy Services Limited is paid fees in relation to its work for the Company.

The fees paid or accrued in the year were:

Arew Limited £54,0790 (2023: £73,495)

WH Consultancy Services Limited £Nil (2023: £29,500)

At 29 February 2024 there were fees owing to Arew Limited totalling £Nil (2023: £35,313) and to WH Consultancy Services Limited totalling £Nil (2023: £29,500)

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

26. 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.

27. Reconciliation of loss before taxation to cash generated from operations

	2024	2023
	£	£
Loss before taxation	(3,986,178)	(2,983,300)
Depreciation charges	519	-
Loss on revaluation of fixed assets	6,777,270	6,005,848
Finance costs	953,807	953,931
Finance income	<u>(354,963)</u>	<u>(154,677)</u>
	3,390,455	3,821,802
Decrease/(increase) in trade and other debtors	14,001	(17,380)
Increase in trade and other creditors	<u>290,251</u>	<u>155,696</u>
Cash generated from operations	<u>3,694,707</u>	<u>3,960,118</u>

APPERLY ESTATES LIMITED

Notes to the Financial Statements - continued
for the year ended 29 February 2024

28. **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 29 February 2024

	29 February 2024	1 March 2023
	£	£
Cash and cash equivalents	<u>2,829,093</u>	<u>11,974,258</u>

Year ended 28 February 2023

	28 February 2023	1 March 2022
	£	£
Cash and cash equivalents	<u>11,974,258</u>	<u>13,806,688</u>

29. **Analysis of changes in net debt**

	At 1 March 2023	Cash flow	At 29 February 2024
	£	£	£
Net cash			
Cash at bank	11,974,258	(9,145,165)	2,829,093
Current asset investments	106	-	106
Debts falling due within 1 year	(580,000)	(5,750,000)	(6,330,000)
Debts falling due after 1 year	<u>(28,355,000)</u>	<u>6,330,000</u>	<u>(22,025,000)</u>
Total	<u>(16,960,636)</u>	<u>(8,565,165)</u>	<u>(25,525,801)</u>

30. **Subsequent events**

Subsequent to the year-end, both the Natwest £5m loan and £5m 5-year revolving credit facility were refinanced with a £10m 5-year revolving credit facility expiring in April 2029.