Company registration number 157366 (England and Wales)

APPERLY ESTATES LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 FEBRUARY 2023

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 Charles Mullineux (Appointed 1 September 2022)
Secretary	Rachel Azcona BSc
Company number	157366
Registered office	3 Danebrook Court Langford Lane Kidlington Oxford OX5 1LQ
Senior Statutory Auditor	Christine Dobson
Auditors	Crowe U.K. LLP Chartered Accountants & Statutory Auditor Aquis House 49 - 51 Blagrave Street Reading Berks 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

APPERLY ESTATES LIMITED

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The directors present their annual report and financial statements for the year ended 28 February 2023.

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

Directors
The directors shown below have held office during the whole of the period from 1 March 2022 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
Charles Mullineux (Appointed 1 September 2022)

Results
The Board is pleased to report another robust set of results for the year ended 28 February 2023, despite the continuing global economic and political uncertainties caused by the residual effects of the Covid-19 pandemic, the elevated level of geopolitical conflicts, high levels of inflation and raised interest rates.

Rental income for the year was down by 7.7% at £4.8m due to our Clerkenwell Close, London EC1 property becoming vacant after the early surrender of the tenant's lease in the prior year, offset partly by new tenants filling the vacant floors in our Underwood Street, London N1 property and rent increases in some of our warehousing/industrial properties.

The Company continues to manage proactively its cost base. The Company was pleased to see its cash balances generate a significantly higher level of interest income with interest rates increasing throughout the year. As a result, Revenue profit decreased by 4.5% to £3.0m, which the directors consider to be satisfactory.

The Company's cash balances decreased over the year by £1.8m to £12.0m. During the year the Company invested £3.2m in its Investment properties, with the major investment being the development of the additional industrial unit at its Wildmere Road, Banbury property, upon which one of the Company's existing tenants has taken a 15-year lease. In addition, during the year the Company secured planning for its redevelopment scheme at Clerkenwell Close, EC1.

During the year the Company's net assets declined by 3.4% to £94.36m. Taking into account the monies invested during the year, the Company experienced a 4.8% decrease in the value of its Investment properties, which can largely be attributable to the impact of rising interest rates on property yields across its portfolio.

The results for the year are shown on page 6.

Prospects
The Board will continue to monitor closely the impact of the current economic turbulence on its business and the activities of its tenants. We are continuing to track closely each quarterly rent collection. As of 19 May 2023, we have collected approximately 97% 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 problems caused by the current economic uncertainties, albeit we will continue to remain vigilant given their unpredictable nature.

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

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
31 May 2023

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF APPERLY ESTATES LIMITED

Opinion

We have audited the financial statements of Apperly Estates Limited for the year ended 28 February 2023 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 28 February 2023 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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

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 the report.

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.

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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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.

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
Statutory Auditor
Aquis House
49 - 51 Blagrave Street
Reading
Berks
RG1 1PL

Date 31 May 2023:

APPERLY ESTATES LIMITED

INCOME STATEMENT

FOR THE YEAR ENDED 28 FEBRUARY 2023

	Notes	2023 £	2022 £
Rental income		4,745,435	5,143,233
Outgoings less recoveries		(326,790)	(448,793)
Gross profit		4,418,645	4,694,440
Administrative expenses		(607,915)	(543,334)
Other operating income		11,072	9,383
Operating profit		3,821,802	4,160,489
Investment income	**6**	154,677	1,965
Finance costs	**7**	(953,931)	(998,904)
Revenue profit		3,022,548	3,163,550
Other gains and losses	**9**	(6,005,848)	(81,797)
(Loss)/profit before taxation		(2,983,300)	3,081,753
Tax on (loss)/profit on ordinary activities	**10**	516,094	(3,721,858)
Loss for the financial year	**23**	(2,467,206)	(640,105)

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 28 FEBRUARY 2023

	2023 £	2022 £
Loss for the year	(2,467,206)	(640,105)
Other comprehensive income	-	-
Total comprehensive loss for the year	(2,467,206)	(640,105)

APPERLY ESTATES LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 28 FEBRUARY 2023

	Notes	2023 £	2023 £	2022 £	2022 £
Fixed assets					
Investment properties	**12**		126,470,000		129,520,000
Current assets					
Trade and other receivables	**13**	1,116,261		1,098,881	
Investments	**14**	106		103	
Cash at bank and in hand		11,974,258		13,806,688	
		13,090,625		14,905,672	
Current liabilities	**15**	(2,769,617)		(2,630,209)	
Net current assets			10,321,008		12,275,463
Total assets less current liabilities			136,791,008		141,795,463
Non-current liabilities	**16**		(28,355,000)		(28,935,000)
Provisions for liabilities	**19**		(14,073,719)		(15,160,968)
Net assets			94,362,289		97,699,495
Equity					
Called up share capital	**21**		150,000		150,000
Revaluation reserve	**22**		55,674,129		60,810,348
Retained earnings	**23**		38,538,160		36,739,147
Total equity			94,362,289		97,699,495

The financial statements were approved by the board of directors and authorised for issue on 31 May 2023 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 28 FEBRUARY 2023

	Share capital	Revaluation reserve	Retained earnings	Total
	£	£	£	£
Balance at 1 March 2021	150,000	64,457,972	34,571,628	99,179,600
Loss for the year	-	-	(640,105)	(640,105)
Total comprehensive income for the period	-	-	(640,105)	(640,105)
Dividends	-	-	(840,000)	(840,000)
Other	-	(3,647,624)	3,647,624	-
Balance at 28 February 2022	150,000	60,810,348	36,739,147	97,699,495
Loss for the year	-	-	(2,467,206)	(2,467,206)
Total comprehensive income for the period	-	-	(2,467,206)	(2,467,206)
Dividends	-	-	(870,000)	(870,000)
Other	-	(5,136,219)	5,136,219	-
Balance at 28 February 2023	150,000	55,674,129	38,538,160	94,362,289

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 28 FEBRUARY 2023

	Notes	2023 £	2023 £	2022 £	2022 £
Cash generated from operations	27		3,960,118		4,647,251
Interest paid			(955,264)		(1,123,971)
Corporation tax paid			(586,178)		(562,208)
Net cash inflow from operating activities			2,418,676		2,961,072
Investing activities					
Additions to investment properties		(3,179,797)		(741,797)	
Capital receipts		223,949		-	
Interest received		154,669		1,961	
Dividends received		8		4	
Net cash used in investing activities			(2,801,171)		(739,832)
Financing activities					
Proceeds of new bank loans		-		7,375,000	
Repayment of bank loans		(580,000)		(1,930,000)	
Dividends paid to owners of the company		(869,935)		(839,839)	
Net cash (used in)/generated from financing activities			(1,449,935)		4,605,161
Net (decrease)/increase in cash and cash equivalents			(1,832,430)		6,826,401
Cash and cash equivalents at beginning of year			13,806,688		6,980,287
Cash and cash equivalents at end of year			11,974,258		13,806,688

1 Accounting policies

Company information

Apperly Estates Limited is a private company limited by shares incorporated in England and Wales. The registered office is 3 Danebrook Court, Langford Lane, Kidlington, Oxford, OX5 1LQ.

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 continuing global economic and political uncertainties caused by the residual effects of the Covid-19 pandemic, 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 28 February 2023.

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.

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

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.

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 Rental Income

The Rental income and loss before taxation (2022: profit) are attributable to the one principal activity of the Company.

4 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2023 Number	2022 Number
	8	7

Their aggregate remuneration comprised:

	2023 £	2022 £
Wages and salaries	347,704	314,548
Social security costs	32,109	27,999
	379,813	342,547

5 Directors' remuneration

	2023 £	2022 £
Remuneration for qualifying services	345,204	314,548

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

	2023 £	2022 £
Remuneration for qualifying services	103,704	100,197

6 Investment income

	2023 £	2022 £
Interest income		
Bank deposits	154,373	1,913
Other interest income	296	48
Total interest revenue	154,669	1,961
Other income from investments		
Dividends received	8	4
	154,677	1,965

7 Finance costs

	2023	2022
	£	£
Interest on bank overdrafts and loans	953,931	998,904

8 Auditors' remuneration

The analysis of auditor's remuneration is as follows:

	2023	2022
	£	£
Fees payable to the company's auditors for the audit of the company's annual accounts	13,000	11,000

9 Other gains and losses

	2023	2022
	£	£
Capital receipts	223,949	-
Net losses through fair value adjustments	(6,229,797)	(81,797)
	(6,005,848)	(81,797)

10 Taxation

	2023	2022
	£	£
Current tax		
UK corporation tax on profits for the current period	571,155	589,348
Deferred tax		
Change in accelerated capital allowances	6,331	208,122
Revaluation of investment properties	(1,093,580)	2,924,388
Total deferred tax	(1,087,249)	3,132,510
Total tax charge/(credit)	(516,094)	3,721,858

10 Taxation **(Continued)**

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

	2023 £	2022 £
(Loss)/profit before taxation	(2,983,300)	3,081,753
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2022: 19.00%)	(566,827)	585,532
Adjustments in respect of prior years	(28,845)	(35,652)
Permanent capital allowances in excess of depreciation	(4,811)	(5,615)
Effect of revaluations of investments	1,141,111	15,543
Movement in deferred tax	(1,087,249)	3,132,510
Overprovision for current year	30,527	29,540
Tax expense/(credit) for the year	(516,094)	3,721,858

11 Dividends

Amounts recognised as distributions to equity holders:

	2023 £ per share	2022 £ per share	2023 £	2022 £
A Ordinary shares				
Interim dividends paid	1.45	1.40	870,000	840,000

The directors have recommended a dividend of 83p per share, being a total dividend of £498,000, payable on 30 June 2023 (28 June 2022: 80p per share - £480,000).

12 Investment property

	2023 £
Fair value	
At 1 March 2022	129,520,000
Additions	3,179,797
Net gains or losses through fair value adjustments	(6,229,797)
At 28 February 2023	126,470,000

The Investment properties were valued in February 2023 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 £55,351,641 (2022: £52,171,843).

13 Trade and other receivables

Amounts falling due within one year:	2023 £	2022 £
Trade receivables	14,743	90,386
Other receivables	1,101,518	1,008,495
	1,116,261	1,098,881

14 Investments

	Current assets		Non-Current Assets	
	2023 £	2022 £	2023 £	2022 £
Unlisted investments	106	103	-	-

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

15 Current liabilities

	Notes	2023 £	2022 £
Bank loans and overdrafts	17	580,000	580,000
Trade payables		258,623	347,698
Corporation tax		337,078	352,101
Other taxation and social security		77,472	167,507
Deferred income		494,140	520,800
Dividends payable		1,108	1,086
Other payables		927,385	566,092
Accruals		93,811	94,925
		2,769,617	2,630,209

16 Non-current liabilities

	Notes	2023 £	2022 £
Bank loans and overdrafts	17	28,355,000	28,935,000

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

	2023 £	2022 £
Payable other than by instalments	6,375,000	21,000,000

17 Borrowings

	2023	2022
	£	£
Bank loans	28,935,000	29,515,000
Payable within one year	580,000	580,000
Payable after one year	28,355,000	28,935,000

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, 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, was refinanced in the prior year by a £7.375m loan, with a fixed interest rate of 2.36% and 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 3.86% 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 April 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 (2022: £nil). The facility was undrawn at 28th February 2023 (2022: £nil).

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

18 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:

	2023	2022
	£	£
Within one year	35	35
Between two and five years	140	140
In over five years	65,199	65,234
	65,374	65,409

19 Provisions

	2023	2022
	£	£
Deferred tax liabilities (note 20)	14,073,719	15,160,968
	14,073,719	15,160,968

20 Deferred taxation

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

Balances:	Liabilities 2023 £	Liabilities 2022 £
Accelerated capital allowances	850,111	843,780
Revaluations	13,223,608	14,317,188
	14,073,719	15,160,968

Movements in the year:	2023 £
Liability at 1 March 2022	15,160,968
Charge for accelerated capital allowances	6,331
Charge for revaluation of properties	(1,093,580)
Liability at 28 February 2023	14,073,719

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.

21 Share capital

	2023 £	2022 £
Ordinary share capital		
Issued and fully paid		
600,000 (2022: 600,000) A Ordinary shares of 25p each	150,000	150,000

22 Revaluation reserve

	2023 £	2022 £
At beginning of year	60,810,348	64,457,972
Revaluation deficit arising in the year	(6,229,799)	(723,236)
Deferred Tax	1,093,580	(2,924,388)
At end of year	55,674,129	60,810,348

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.

23	**Retained earnings**	**2023**	**2022**
		£	**£**
	At beginning of year	36,739,147	34,571,628
	Loss for the year	(2,467,206)	(640,105)
	Dividends	(870,000)	(840,000)
	Transfer from revaluation reserve	5,136,219	3,647,624
	At end of year	38,538,160	36,739,147

24 Capital commitments

At 28 February 2023 the company had authorised but not contracted capital commitments of £17,185 (2022: authorised but not contracted £2,112,521)

25 Directors' transactions

During the year, total dividends of £63,153 (2022: £53,806) 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 £73,495 (2022: £36,518)
WH Consultancy Limited £29,500 (2022: £Nil)

At 28 February 2023 there were fees owing to Arew Limited totalling £35,313 (2022: £15,805) and to WH Consultancy Limited totalling £29,500 (2022: £Nil).

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 Cash generated from operations

	2023	2022
	£	£
Loss for the year	(2,467,206)	(640,105)
Adjustments for:		
Tax expense recognised in profit or loss	(516,094)	3,721,858
Finance costs recognised in profit or loss	953,931	998,904
Investment income recognised in profit or loss	(154,677)	(1,965)
Other gains and losses	6,005,848	81,797
Movements in working capital:		
(Increase) in trade and other receivables	(17,380)	(241,222)
Increase in trade and other payables	182,356	613,943
(Decrease)/increase in deferred revenue	(26,660)	114,041
Cash generated from operations	3,960,118	4,647,251

28 Analysis of changes in net debt

	1 March 2022	Cash flows	28 February 2023
	£	£	£
Cash at bank and in hand	13,806,688	(1,832,430)	11,974,258
Borrowings excluding overdrafts	(29,515,000)	580,000	(28,935,000)
Current asset investments	103	3	106
	(15,708,209)	(1,252,427)	(16,960,636)

APPERLY ESTATES LIMITED

DETAILED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 28 FEBRUARY 2023

		2023		2022
	£	£	£	£
Revenue				
Rent receivable		4,745,435		5,143,233
Cost of sales				
Outgoings less recoveries	326,790		448,793	
		(326,790)		(448,793)
Gross profit		4,418,645		4,694,440
Other operating income				
Sundry income		11,072		9,383
Administrative expenses		(607,915)		(543,334)
Operating profit		3,821,802		4,160,489
Investment revenues				
Bank interest received	154,373		1,913	
Other interest received	296		48	
Dividends receivable	8		4	
		154,677		1,965
Finance costs				
Bank interest on loans and overdrafts		(953,931)		(998,904)
Revenue profit		3,022,548		3,163,550
Other gains and losses				
Change in fair value of Investment properties	(6,229,797)		(81,797)	
Capital Receipts	223,949		-	
		(6,005,848)		(81,797)
(Loss)/profit before taxation		(2,983,300)		3,081,753

APPERLY ESTATES LIMITED

SCHEDULES TO THE INCOME STATEMENT

FOR THE YEAR ENDED 28 FEBRUARY 2023

	2023	2022
	£	£
Administrative expenses		
Wages and salaries	2,500	-
Directors' remuneration (non-executive directors)	345,204	314,548
Directors' social security (non-executive directors)	32,109	27,999
Computer running costs	2,678	8,610
Directors' expenses	6,058	8,658
Management & administration	50,905	32,405
General financial & tax advice	3,920	5,250
Company secretarial & meetings	16,560	16,268
Accountancy	39,757	36,910
Valuation fees	50,000	50,000
Audit fees	13,000	11,000
Bank charges & loan arrangement fees	955	43,668
Insurances (not premises)	9,259	10,080
Sundry expenses	35,010	(22,062)
	607,915	543,334