

Company Registration No. 01217177 (England and Wales)

**ANKERS AND RAWLINGS DEVELOPMENTS
LIMITED**

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2020

ANKERS AND RAWLINGS DEVELOPMENTS LIMITED

COMPANY INFORMATION

Directors	Mr M E T Ankers Mr S S Rawlings Mr B W Rawlings Mr S L Rawlings Mr J Ankers Mr T Ankers
Secretary	Mr S L Rawlings
Company number	01217177
Registered office	22 Ringwood Road Longham Ferndown Dorset BH22 9AN
Auditor	Alliott Wingham Limited Kintyre House 70 High Street Fareham Hants PO16 7BB
Business address	22 Ringwood Road Longham Ferndown Dorset BH22 9AN

ANKERS AND RAWLINGS DEVELOPMENTS LIMITED

CONTENTS

	Page
Strategic report	1
Directors' report	2
Directors' responsibilities statement	3
Independent auditor's report	4 - 6
Profit and loss account	7
Group statement of comprehensive income	8
Group balance sheet	9
Company balance sheet	10
Group statement of changes in equity	11
Company statement of changes in equity	12
Group statement of cash flows	13
Notes to the financial statements	14 - 35

ANKERS AND RAWLINGS DEVELOPMENTS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 JULY 2020

The directors present the strategic report for the year ended 31 July 2020.

Fair review of the business

The results for the year and the financial position were considered satisfactory by the directors who expected continued growth for the foreseeable future.

The group is solvent at the year end with reserves increasing by £5,582,311.

As at the year end, the directors consider that the improvement in the economy will continue to benefit the group, and this is further enhanced by the group's split of business interests between development and rental, which as a whole minimises any risk experienced by the group.

The directors believe that there are no further principal risks and uncertainties facing the group apart from general business risks such as inflation affecting interest rates and the impact Brexit and COVID-19 may have upon these factors .

The directors consider that the group is in a stable position at the year end, which will enable them to continue the results shown to date.

The business review is consistent with the Key Performance Indicators the group adopts. The gross profit % for the year has increased from 48.0% in 2019 to 74.6% in 2020. This illustrates that the group's margin achieved has increased namely due to the work carried out in the year and the split of business between development and rental income, all be it both continue to prosper. Rental income during the year, represents 72.9% (2019 - 48.3%) of total sales income whilst sales of developments account for 15% (2019 - 43.1%) of sales income. Overall income has decreased in the year due to a decrease in development sales, with turnover overall decreasing by 31.3% (2019 - increase 30.7%). The net profit after tax has increased from 58.3% in 2019 to 65.2% in 2020.

The group feel that all ratios adopted are improving and are dependent on the split of the activities. They are all still within manageable levels.

On behalf of the board

Mr S L Rawlings
Director
30 April 2021

ANKERS AND RAWLINGS DEVELOPMENTS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JULY 2020

The directors present their group annual report and financial statements for the year ended 31 July 2020 for the company and its subsidiary undertakings.

Principal activities

The principal activity of the group continued to be that of developers of industrial properties and investors in and managers of land and property.

Results and dividends

The results for the year are set out on page 7.

Ordinary dividends were paid amounting to £515,796. The directors do not recommend payment of a further dividend.

Directors

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

Mr M E T Ankers
Mr S S Rawlings
Mr B W Rawlings
Mr S L Rawlings
Mr J Ankers
Mr T Ankers

Auditor

The auditor, Allott Wingham Limited, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

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 auditor of the group 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 auditor of the group is aware of that information.

On behalf of the board

Mr S L Rawlings
Director

30 April 2021

ANKERS AND RAWLINGS DEVELOPMENTS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 JULY 2020

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 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 group and company, and of the profit or loss of the group 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ANKERS AND RAWLINGS DEVELOPMENTS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ANKERS AND RAWLINGS DEVELOPMENTS LIMITED

Opinion

We have audited the financial statements of Ankers and Rawlings Developments Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 July 2020 which comprise the Group Profit And Loss Account, the Group Statement of Comprehensive Income, the Group Balance Sheet, the Company Balance Sheet, the Group Statement of Changes in Equity, the Company Statement of Changes in Equity, the Group Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 July 2020 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

ANKERS AND RAWLINGS DEVELOPMENTS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF ANKERS AND RAWLINGS DEVELOPMENTS LIMITED

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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have 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 group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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, 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 parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

ANKERS AND RAWLINGS DEVELOPMENTS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF ANKERS AND RAWLINGS DEVELOPMENTS 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 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.

Mark Nolan FCA (Senior Statutory Auditor)
For and on behalf of Alliot Wingham Limited

30 April 2021

Chartered Accountants
Statutory Auditor

Kintyre House
70 High Street
Fareham
Hants
PO16 7BB

ANKERS AND RAWLINGS DEVELOPMENTS LIMITED

GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 JULY 2020

	Notes	2020 £	2019 £
Turnover	3	9,352,253	13,618,905
Cost of sales		(2,372,564)	(7,069,399)
Gross profit		6,979,689	6,549,506
Administrative expenses		(2,714,283)	(2,279,787)
Other operating income		63,145	-
Operating profit	4	4,328,551	4,269,719
Interest receivable and similar income	8	557,184	396,869
Interest payable and similar expenses	9	(871,848)	(906,134)
Fair value gains and losses on investment properties	14	3,214,500	5,978,000
Profit before taxation		7,228,387	9,738,454
Tax on profit	10	(1,130,280)	(1,787,485)
Profit for the financial year	29	6,098,107	7,950,969

Profit for the financial year is all attributable to the owners of the parent company.

The profit and loss account has been prepared on the basis that all operations are continuing operations.

ANKERS AND RAWLINGS DEVELOPMENTS LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 JULY 2020

	2020	2019
	£	£
Profit for the year	6,098,107	7,950,969
Other comprehensive income	-	-
Total comprehensive income for the year	<u>6,098,107</u>	<u>7,950,969</u>

Total comprehensive income for the year is all attributable to the owners of the parent company.

ANKERS AND RAWLINGS DEVELOPMENTS LIMITED

GROUP BALANCE SHEET

AS AT 31 JULY 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Goodwill	12		(550)		(620)
Tangible assets	13		892,744		792,946
Investment properties	14		102,084,500		99,213,206
			<u>102,976,694</u>		<u>100,005,532</u>
Current assets					
Stocks	17	13,486,173		9,457,678	
Debtors	18	10,748,569		12,889,956	
Cash at bank and in hand		1,513,005		1,446,406	
		<u>25,747,747</u>		<u>23,794,040</u>	
Creditors: amounts falling due within one year	19	(28,015,957)		(29,238,211)	
Net current liabilities			<u>(2,268,210)</u>		<u>(5,444,171)</u>
Total assets less current liabilities			100,708,484		94,561,361
Creditors: amounts falling due after more than one year	20		(97,744)		-
Provisions for liabilities					
Deferred tax liability	23	6,855,548		6,388,480	
		<u>(6,855,548)</u>		<u>(6,388,480)</u>	
Net assets			<u>93,755,192</u>		<u>88,172,881</u>
Capital and reserves					
Called up share capital	25		82,428		82,428
Share premium account	26		5,016,292		5,016,292
Capital redemption reserve	27		12,898		12,898
Other reserves	28		50,007,599		47,230,004
Profit and loss reserves	29		38,635,975		35,831,259
Total equity			<u>93,755,192</u>		<u>88,172,881</u>

The financial statements were approved by the board of directors and authorised for issue on 30 April 2021 and are signed on its behalf by:

Mr B W Rawlings
Director

Mr S L Rawlings
Director

ANKERS AND RAWLINGS DEVELOPMENTS LIMITED

COMPANY BALANCE SHEET

AS AT 31 JULY 2020

		2020		2019	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	13		892,744		792,946
Investment properties	14		91,126,500		88,255,206
Investments	15		100		100
			<u>92,019,344</u>		<u>89,048,252</u>
Current assets					
Stocks	17	13,486,173		9,457,678	
Debtors	18	13,126,934		15,628,597	
Cash at bank and in hand		1,375,664		1,391,958	
		<u>27,988,771</u>		<u>26,478,233</u>	
Creditors: amounts falling due within one year	19	(27,733,529)		(28,946,435)	
Net current assets/(liabilities)			<u>255,242</u>		<u>(2,468,202)</u>
Total assets less current liabilities			<u>92,274,586</u>		<u>86,580,050</u>
Creditors: amounts falling due after more than one year	20		(97,744)		-
Provisions for liabilities	23		(6,367,108)		(5,900,040)
Net assets			<u><u>85,809,734</u></u>		<u><u>80,680,010</u></u>
Capital and reserves					
Called up share capital	25		82,428		82,428
Share premium account	26		5,016,292		5,016,292
Capital redemption reserve	27		12,898		12,898
Other reserves	28		45,922,667		43,145,072
Profit and loss reserves	29		34,775,449		32,423,320
Total equity			<u><u>85,809,734</u></u>		<u><u>80,680,010</u></u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £5,645,521 (2019 - £6,987,813 profit).

The financial statements were approved by the board of directors and authorised for issue on 30 April 2021 and are signed on its behalf by:

Mr B W Rawlings
Director

Mr S L Rawlings
Director

Company Registration No. 01217177

ANKERS AND RAWLINGS DEVELOPMENTS LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 JULY 2020

	Share capital	Share premium account	Capital redemption reserve	Other reserves/loss reserves	Profit and loss	Total
Notes	£	£	£	£	£	£
Balance at 1 August 2018	95,326	5,016,292	-	42,384,325	36,242,666	83,738,609
Year ended 31 July 2019:						
Profit and total comprehensive income for the year	-	-	-	-	7,950,969	7,950,969
Dividends	-	-	-	-	(501,697)	(501,697)
Redemption of shares	(12,898)	-	12,898	-	(3,015,000)	(3,015,000)
Transfers	-	-	-	4,845,679	(4,845,679)	-
Balance at 31 July 2019	82,428	5,016,292	12,898	47,230,004	35,831,259	88,172,881
Year ended 31 July 2020:						
Profit and total comprehensive income for the year	-	-	-	-	6,098,107	6,098,107
Dividends	-	-	-	-	(515,796)	(515,796)
Transfers	-	-	-	2,777,595	(2,777,595)	-
Balance at 31 July 2020	82,428	5,016,292	12,898	50,007,599	38,635,975	93,755,192

ANKERS AND RAWLINGS DEVELOPMENTS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 JULY 2020

	Share capital	Share premium account	Capital redemption reserve	Other reserves/loss	Profit and reserves	Total
Notes	£	£	£	£	£	£
Balance at 1 August 2018	95,326	5,016,292	-	38,786,608	33,310,668	77,208,894
Year ended 31 July 2019:						
Profit and total comprehensive income for the year	-	-	-	-	6,987,813	6,987,813
Dividends	-	-	-	-	(501,697)	(501,697)
Redemption of shares	(12,898)	-	12,898	-	(3,015,000)	(3,015,000)
Transfers	-	-	-	4,358,464	(4,358,464)	-
Balance at 31 July 2019	82,428	5,016,292	12,898	43,145,072	32,423,320	80,680,010
Year ended 31 July 2020:						
Profit and total comprehensive income for the year	-	-	-	-	5,645,520	5,645,520
Dividends	-	-	-	-	(515,796)	(515,796)
Transfers	-	-	-	2,777,595	(2,777,595)	-
Balance at 31 July 2020	82,428	5,016,292	12,898	45,922,667	34,775,449	85,809,734

ANKERS AND RAWLINGS DEVELOPMENTS LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JULY 2020

		2020	2019
	Notes	£	£
Cash flows from operating activities			
Cash generated from operations	33	2,707,420	4,488,855
Interest paid		(871,848)	(906,134)
Income taxes paid		(397,029)	(970,525)
Net cash inflow from operating activities		1,438,543	2,612,196
Investing activities			
Purchase of tangible fixed assets		(286,115)	(115,705)
Proceeds on disposal of tangible fixed assets		86,082	107,000
Purchase of investment property		-	(343,206)
Interest received		557,184	396,869
Net cash generated from investing activities		357,151	44,958
Financing activities			
Redemption of shares		-	(3,015,000)
Repayment of bank loans		(1,336,000)	(3,336,000)
Payment of finance leases obligations		122,701	(55,300)
Dividends paid to equity shareholders		(515,796)	(501,697)
Net cash used in financing activities		(1,729,095)	(6,907,997)
Net increase/(decrease) in cash and cash equivalents		66,599	(4,250,843)
Cash and cash equivalents at beginning of year		1,446,406	5,697,249
Cash and cash equivalents at end of year		1,513,005	1,446,406

ANKERS AND RAWLINGS DEVELOPMENTS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2020

1 Accounting policies

Company information

Ankers and Rawlings Developments Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is 22 Ringwood Road, Longham, Ferndown, Dorset, BH22 9AN.

The group consists of Ankers and Rawlings Developments Limited and its subsidiaries.

1.1 Accounting convention

These group 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 group. 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.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

1.2 Business combinations

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

ANKERS AND RAWLINGS DEVELOPMENTS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

1 Accounting policies

(Continued)

1.3 Basis of consolidation

The consolidated financial statements incorporate those of Ankers and Rawlings Developments Limited (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 July 2020. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

1.4 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements. The directors have determined that with the measures put in place to address the impact of COVID-19 and other matters, no material uncertainties exist that would need to be disclosed within the financial statements.

1.5 Turnover

Turnover represents amounts receivable for sales of developments, rental income and general related services, the ordinary activities of the group, net of VAT and trade discounts.

Sales of developments are recognised as turnover on completion of sale when the significant risks and rewards of ownership of the goods have passed to the buyer. Rental income and other services are recognised on an accruals basis, with an adjustment for any rental income relating to future years.

1.6 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 20 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	4% straight line
Plant and machinery	20% reducing balance & 33.3% straight line
Motor vehicles	25% reducing balance

ANKERS AND RAWLINGS DEVELOPMENTS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

1 Accounting policies

(Continued)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

1.8 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 rented to a group entity is accounted for as an investment property.

Gains or losses arising from changes in the fair value of investment property are included in profit and loss for the period in which they arise.

1.9 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate using the equity method. Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate.

In the parent company financial statements, investments in associates are accounted for at cost less impairment.

Entities in which the group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

ANKERS AND RAWLINGS DEVELOPMENTS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

1 Accounting policies

(Continued)

1.10 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.11 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.12 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.

ANKERS AND RAWLINGS DEVELOPMENTS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

1 Accounting policies

(Continued)

1.13 Financial instruments

The group 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 group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, 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 profit or loss.

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 profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

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 group after deducting all of its liabilities.

ANKERS AND RAWLINGS DEVELOPMENTS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, 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 creditors 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 creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.14 Equity instruments

Equity instruments issued by the group 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 group.

1.15 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 profit and loss account 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 group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

ANKERS AND RAWLINGS DEVELOPMENTS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

1 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 profit and loss account, 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 if, and only if, there is 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.

1.16 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.17 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.18 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

1.19 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

ANKERS AND RAWLINGS DEVELOPMENTS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

1 Accounting policies

(Continued)

1.20 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Judgements and key sources of estimation uncertainty

In the application of the group'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.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Tangible assets

Determine whether there are indicators of impairment of the company's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.

Work in progress

Work in progress is valued at costs to date less net costs of units / residential property sold. Calculation of these figures rely upon judgement of when profit will be realised and that of an external consultant.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Property, Plant and equipment

Tangible fixed assets, other than investment properties, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Fair value measurements

Certain assets, including investment properties are measured at fair value with gains and losses recognised in the profit and loss account. In estimating the fair value of those assets, the company bases this on observable market data and where appropriate, third party qualified valuers.

ANKERS AND RAWLINGS DEVELOPMENTS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

3 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2020 £	2019 £
Turnover analysed by class of business		
Sale of developments and development work	1,400,001	5,873,161
Rental income received	6,816,371	6,583,029
Service Charges	747,816	561,170
Other income	388,065	601,545
	<u>9,352,253</u>	<u>13,618,905</u>

	2020 £	2019 £
Other significant revenue		
Interest income	557,184	396,869
Grants received	63,145	-
	<u>620,329</u>	<u>396,869</u>

	2020 £	2019 £
Turnover analysed by geographical market		
United Kingdom	<u>9,352,253</u>	<u>13,618,905</u>

4 Operating profit

	2020 £	2019 £
Operating profit for the year is stated after charging/(crediting):		
Government grants	(63,145)	-
Depreciation of owned tangible fixed assets	114,732	132,138
Depreciation of tangible fixed assets held under finance leases	12,167	-
Profit on disposal of tangible fixed assets	(26,664)	(24,328)
Amortisation of intangible assets	(70)	(70)
Operating lease charges	<u>50,387</u>	<u>46,988</u>

5 Auditor's remuneration

	2020 £	2019 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	12,700	12,450
Audit of the financial statements of the company's subsidiaries	<u>5,600</u>	<u>5,600</u>
	<u>18,300</u>	<u>18,050</u>

ANKERS AND RAWLINGS DEVELOPMENTS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

5 Auditor's remuneration (Continued)

For other services

Other assurance services	17,935	16,895
Taxation compliance services	780	780
Other taxation services	5,875	5,875
All other non-audit services	1,840	11,644
	<u>26,430</u>	<u>35,194</u>

6 Employees

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

	Group 2020 Number	2019 Number	Company 2020 Number	2019 Number
Office and management	22	22	16	16
Direct labour	22	21	22	21
	<u>44</u>	<u>43</u>	<u>38</u>	<u>37</u>

Their aggregate remuneration comprised:

	Group 2020 £	2019 £	Company 2020 £	2019 £
Wages and salaries	1,023,353	1,022,123	1,023,353	1,022,123
Social security costs	83,676	89,060	83,676	89,060
Pension costs	80,626	58,633	80,626	58,633
	<u>1,187,655</u>	<u>1,169,816</u>	<u>1,187,655</u>	<u>1,169,816</u>

7 Directors' remuneration

	2020 £	2019 £
Remuneration for qualifying services	77,537	59,725
Company pension contributions to defined contribution schemes	63,484	43,200
	<u>141,021</u>	<u>102,925</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 4 (2019 - 4).

ANKERS AND RAWLINGS DEVELOPMENTS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

8	Interest receivable and similar income	2020	2019
		£	£
	Interest income		
	Interest on bank deposits	7,787	18,577
	Other interest income	549,397	378,292
		<u>557,184</u>	<u>396,869</u>
	Total income	<u>557,184</u>	<u>396,869</u>
	Investment income includes the following:		
	Interest on financial assets not measured at fair value through profit or loss	<u>7,787</u>	<u>18,577</u>
9	Interest payable and similar expenses	2020	2019
		£	£
	Interest on financial liabilities measured at amortised cost:		
	Interest on bank overdrafts and loans	823,895	852,582
	Other finance costs:		
	Interest on finance leases and hire purchase contracts	505	1,798
	Other interest	47,448	51,754
		<u>871,848</u>	<u>906,134</u>
	Total finance costs	<u>871,848</u>	<u>906,134</u>
10	Taxation	2020	2019
		£	£
	Current tax		
	UK corporation tax on profits for the current period	683,804	602,280
	Adjustments in respect of prior periods	(20,591)	-
		<u>663,213</u>	<u>602,280</u>
	Total current tax	<u>663,213</u>	<u>602,280</u>
	Deferred tax		
	Origination and reversal of timing differences	467,067	1,185,205
		<u>467,067</u>	<u>1,185,205</u>
	Total tax charge	<u>1,130,280</u>	<u>1,787,485</u>

ANKERS AND RAWLINGS DEVELOPMENTS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

10 Taxation

(Continued)

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

	2020 £	2019 £
Profit before taxation	7,228,387	9,738,454
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	1,373,394	1,850,306
Tax effect of expenses that are not deductible in determining taxable profit	8	1,641
Permanent capital allowances in excess of depreciation	(80,239)	(113,834)
Amortisation on assets not qualifying for tax allowances	-	(13)
Effect of revaluations of investments	(609,359)	(1,021,535)
Under/(over) provided in prior years	(20,591)	-
Deferred tax	467,067	1,070,920
Tax expense for the year	1,130,280	1,787,485

11 Dividends

	2020 £	2019 £
Recognised as distributions to equity holders:		
Interim paid	515,796	501,697

12 Intangible fixed assets

Group	Goodwill £
Cost	
At 1 August 2019 and 31 July 2020	(1,390)
Amortisation and impairment	
At 1 August 2019	(770)
Amortisation charged for the year	(70)
At 31 July 2020	(840)
Carrying amount	
At 31 July 2020	(550)
At 31 July 2019	(620)

The company had no intangible fixed assets at 31 July 2020 or 31 July 2019.

ANKERS AND RAWLINGS DEVELOPMENTS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

13 Tangible fixed assets

Group	Leasehold improvements £	Plant and machinery £	Motor vehicles £	Total £
Cost				
At 1 August 2019	343,022	678,599	396,255	1,417,876
Additions	-	190,550	95,565	286,115
Disposals	-	(151,270)	(65,211)	(216,481)
At 31 July 2020	343,022	717,879	426,609	1,487,510
Depreciation and impairment				
At 1 August 2019	41,163	361,893	221,874	624,930
Depreciation charged in the year	13,721	69,055	44,123	126,899
Eliminated in respect of disposals	-	(109,101)	(47,962)	(157,063)
At 31 July 2020	54,884	321,847	218,035	594,766
Carrying amount				
At 31 July 2020	288,138	396,032	208,574	892,744
At 31 July 2019	301,859	316,706	174,381	792,946
Company				
	Leasehold improvements £	Plant and machinery £	Motor vehicles £	Total £
Cost				
At 1 August 2019	343,022	678,599	396,255	1,417,876
Additions	-	190,550	95,565	286,115
Disposals	-	(151,270)	(65,211)	(216,481)
At 31 July 2020	343,022	717,879	426,609	1,487,510
Depreciation and impairment				
At 1 August 2019	41,163	361,893	221,874	624,930
Depreciation charged in the year	13,721	69,055	44,123	126,899
Eliminated in respect of disposals	-	(109,101)	(47,962)	(157,063)
At 31 July 2020	54,884	321,847	218,035	594,766
Carrying amount				
At 31 July 2020	288,138	396,032	208,574	892,744
At 31 July 2019	301,859	316,706	174,381	792,946

ANKERS AND RAWLINGS DEVELOPMENTS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

13 Tangible fixed assets

(Continued)

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	Group 2020 £	2019 £	Company 2020 £	2019 £
Plant and machinery	129,833	-	129,833	-

14 Investment property

	Group 2020 £	Company 2020 £
Fair value		
At 1 August 2019	99,213,206	88,255,206
Transfers to inventories	(343,206)	(343,206)
Net gains or losses through fair value adjustments	3,214,500	3,214,500
At 31 July 2020	102,084,500	91,126,500

Investment property comprises of £102,084,500. The fair value of the investment properties have been arrived at on the basis of a valuation carried out by the directors at the year end, paying particular attention to valuations carried out in May 2020 by Lambert Smith Hamptons Chartered Surveyors, who are not connected with the company. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties. The directors are confident that they represent a true market value.

15 Fixed asset investments

	Notes	Group 2020 £	2019 £	Company 2020 £	2019 £
Investments in subsidiaries	16	-	-	100	100

ANKERS AND RAWLINGS DEVELOPMENTS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

15 Fixed asset investments (Continued)

Movements in fixed asset investments		Shares in group undertakings
Company		£
Cost or valuation		
At 1 August 2019 and 31 July 2020		100
Carrying amount		
At 31 July 2020		100
At 31 July 2019		100

16 Subsidiaries

Details of the company's subsidiaries at 31 July 2020 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
Gapcontrol Limited	England and Wales	Ordinary	100.00

17 Stocks

	Group 2020 £	2019 £	Company 2020 £	2019 £
Work in progress	13,486,173	9,457,678	13,486,173	9,457,678

ANKERS AND RAWLINGS DEVELOPMENTS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

18 Debtors

	Group 2020	2019	Company 2020	2019
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	403,217	188,349	373,753	163,998
Amounts owed by group undertakings	-	-	2,527,459	2,905,048
Other debtors	9,382,999	12,557,689	9,263,369	12,415,633
Prepayments and accrued income	182,864	143,918	182,864	143,918
	<u>9,969,080</u>	<u>12,889,956</u>	<u>12,347,445</u>	<u>15,628,597</u>
Amounts falling due after more than one year:				
Other debtors	<u>779,489</u>	<u>-</u>	<u>779,489</u>	<u>-</u>
Total debtors	<u>10,748,569</u>	<u>12,889,956</u>	<u>13,126,934</u>	<u>15,628,597</u>

19 Creditors: amounts falling due within one year

	Notes	Group 2020	2019	Company 2020	2019
		£	£	£	£
Bank loans	21	23,242,173	24,578,173	23,242,173	24,578,173
Obligations under finance leases	22	24,957	-	24,957	-
Trade creditors		782,070	763,142	768,736	758,624
Corporation tax payable		583,463	317,280	477,317	205,656
Other taxation and social security		44,498	32,800	44,498	32,800
Other creditors		2,038,964	2,331,151	1,881,016	2,160,517
Accruals and deferred income		1,299,832	1,215,665	1,294,832	1,210,665
		<u>28,015,957</u>	<u>29,238,211</u>	<u>27,733,529</u>	<u>28,946,435</u>

20 Creditors: amounts falling due after more than one year

	Notes	Group 2020	2019	Company 2020	2019
		£	£	£	£
Obligations under finance leases	22	<u>97,744</u>	<u>-</u>	<u>97,744</u>	<u>-</u>

ANKERS AND RAWLINGS DEVELOPMENTS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

21 Loans and overdrafts

	Group 2020 £	2019 £	Company 2020 £	2019 £
Bank loans	23,242,173	24,578,173	23,242,173	24,578,173
Payable within one year	23,242,173	24,578,173	23,242,173	24,578,173

The long-term loans are secured by fixed charges over the total assets of the group.

22 Finance lease obligations

	Group 2020 £	2019 £	Company 2020 £	2019 £
Future minimum lease payments due under finance leases:				
Within one year	24,957	-	24,957	-
In two to five years	97,744	-	97,744	-
	122,701	-	122,701	-

Finance lease payments represent rentals payable by the company or group for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments. Finance leases are secured on the assets to which they relate.

23 Deferred taxation

Deferred tax assets and liabilities are offset where the group or company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2020 £	Liabilities 2019 £
Group		
Accelerated capital allowances	(295,013)	(325,175)
Revaluations	7,150,561	6,713,655
	6,855,548	6,388,480

ANKERS AND RAWLINGS DEVELOPMENTS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

23 Deferred taxation		(Continued)	
Company		Liabilities	Liabilities
		2020	2019
		£	£
Accelerated capital allowances		(295,013)	(325,175)
Revaluations		6,662,121	6,225,215
		<u>6,367,108</u>	<u>5,900,040</u>
		Group	Company
		2020	2020
		£	£
Movements in the year:			
Liability at 1 August 2019		6,388,480	5,900,040
Charge to profit or loss		467,068	467,068
		<u>6,855,548</u>	<u>6,367,108</u>
Liability at 31 July 2020			

The deferred tax asset and liabilities set out above are not expected to fully reverse within 12 months as they relate to capital allowances timing differences and provisions on fair value gains. These are only expected to partially reverse within the next 12 months.

24 Retirement benefit schemes		2020	2019
Defined contribution schemes		£	£
Charge to profit or loss in respect of defined contribution schemes		<u>80,626</u>	<u>58,633</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

25 Share capital		2020	2019	2020	2019
Ordinary share capital	Number	Number	Number	£	£
Issued and fully paid					
Ordinary A shares of £1 each	47,663	47,663	47,663	47,663	47,663
Ordinary B shares of £1 each	22,096	22,096	22,096	22,096	22,096
Ordinary C shares of £1 each	6,433	6,433	6,433	6,433	6,433
Ordinary D shares of £1 each	4,600	4,600	4,600	4,600	4,600
Ordinary E shares of £1 each	253	253	253	253	253
Ordinary F shares of £1 each	1,383	1,383	1,383	1,383	1,383
	<u>82,428</u>	<u>82,428</u>	<u>82,428</u>	<u>82,428</u>	<u>82,428</u>

Each share class have the same rights to vote and receive dividends and are ranked pari passu.

ANKERS AND RAWLINGS DEVELOPMENTS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

26 Share premium account

	Group 2020 £	2019 £	Company 2020 £	2019 £
At the beginning and end of the year	5,016,292	5,016,292	5,016,292	5,016,292

The share premium account represents the excess of issue price over the par value on shares issued, less transaction costs arising on issue.

27 Capital redemption reserve

	Group 2020 £	2019 £	Company 2020 £	2019 £
At beginning of year	12,898	-	12,898	-
Transfers	-	12,898	-	12,898
At end of year	12,898	12,898	12,898	12,898

The capital redemption reserve contains the nominal value of own shares that have been acquired by the company and cancelled.

28 Other reserves

Group	£
At the beginning of the prior year	42,384,325
Additions	4,845,679
At the end of the prior year	47,230,004
Additions	2,777,595
At the end of the current year	50,007,599
Company	£
At the beginning of the prior year	38,786,608
Additions	4,358,464
At the end of the prior year	43,145,072
Additions	2,777,595
At the end of the current year	45,922,667

ANKERS AND RAWLINGS DEVELOPMENTS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

28 Other reserves

(Continued)

Other reserves represent the unrealised fair value gains on investment property revaluations less the corresponding deferred tax provision.

29 Profit and loss reserves

	Group 2020 £	2019 £	Company 2020 £	2019 £
At the beginning of the year	35,831,259	36,242,666	32,423,320	33,310,668
Profit for the year	6,098,107	7,950,969	5,645,520	6,987,813
Dividends	(515,796)	(501,697)	(515,796)	(501,697)
Transfer to reserves	(2,777,595)	(4,845,679)	(2,777,595)	(4,358,464)
Share redemption or reduction	-	(3,015,000)	-	(3,015,000)
At the end of the year	<u>38,635,975</u>	<u>35,831,259</u>	<u>34,775,449</u>	<u>32,423,320</u>

The profit and loss account represents cumulative profits and losses, net of dividends paid and other adjustments.

30 Financial commitments, guarantees and contingent liabilities

The group has agreed to provide a fixed charge over its Investment Properties and all other company assets and by a unlimited multilateral agreement which has been given by the parent company and other group companies over the debts of the parent company.

31 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2020 £	2019 £
Aggregate compensation	<u>210,158</u>	<u>102,925</u>

The key management personnel are deemed to be the directors of the company.

Transactions with related parties

During the year the group entered into the following transactions with related parties:

	Sales 2020 £	2019 £	Purchases 2020 £	2019 £
Group				
Other related parties	<u>1,543,117</u>	<u>2,364,617</u>	<u>194,606</u>	<u>211,056</u>

ANKERS AND RAWLINGS DEVELOPMENTS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

31 Related party transactions

(Continued)

	Interest received	
	2020	2019
	£	£
Group		
Other related parties	554,932	378,292

The following amounts were outstanding at the reporting end date:

Amounts due to related parties		2020	2019
		£	£
Group			
Other related parties		64,401	7,177

The following amounts were outstanding at the reporting end date:

Amounts due from related parties		2020	2019
		Balance	Balance
		£	£
Group			
Other related parties		10,007,858	12,372,161

32 Directors' transactions

Interest free loans have been granted to the group by its directors as follows:

Description	% Rate	Opening balance	Interest charged	Amounts repaid	Closing balance
		£	£	£	£
Mr M E T Ankers -	3.00	818,822	17,366	(198,872)	637,316
Mr S S Rawlings -	3.00	807,701	17,096	(198,872)	625,925
		1,626,523	34,462	(397,744)	1,263,241

ANKERS AND RAWLINGS DEVELOPMENTS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

33 Cash generated from group operations

	2020 £	2019 £
Profit for the year after tax	6,098,107	7,950,969
Adjustments for:		
Taxation charged	1,130,280	1,787,485
Finance costs	871,848	906,134
Investment income	(557,184)	(396,869)
Gain on disposal of tangible fixed assets	(26,664)	(24,328)
Fair value gain on investment properties	(3,214,500)	(5,978,000)
Amortisation and impairment of intangible assets	(70)	(70)
Depreciation and impairment of tangible fixed assets	126,899	132,138
Movements in working capital:		
(Increase)/decrease in stocks	(3,685,289)	154,171
Decrease/(increase) in debtors	2,141,387	(18,876)
Decrease in creditors	(177,394)	(23,899)
Cash generated from operations	2,707,420	4,488,855

34 Analysis of changes in net debt - group

	1 August 2019 £	Cash flows £	31 July 2020 £
Cash at bank and in hand	1,446,406	66,599	1,513,005
Borrowings excluding overdrafts	(24,578,173)	1,336,000	(23,242,173)
Obligations under finance leases	-	(122,701)	(122,701)
	(23,131,767)	1,279,898	(21,851,869)

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.