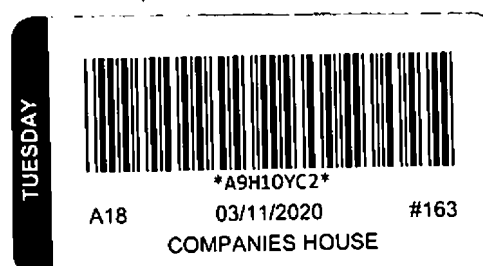


Registered Number 235326

Andrews & Partners Limited

**Annual Report and Financial Statements
for the year ended 31 December 2019**



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Directors and advisers for the year ended 31 December 2019

Directors

The directors of the company, who served throughout the year and up to the date of signing the financial statements, were:-

S Esom	(Chairman from appointment 1 January 2018)
P Heal	
D Westgate	
N Wright	(Retired on 28 th February 2019)
P G Bumford	(Appointed 31 st March 2019)

Secretary

B Ford

Registered Office

The Clockhouse
Bath Hill
Keynsham
Bristol
BS31 1HL

Independent Auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
2 Glass Wharf
Bristol
BS2 0FR

Solicitors

Harris and Harris
14 Market Place
Wells
Somerset
BA5 2RE

Bankers

Barclays Bank Plc
Corporate Banking Centre
Bridgewater House
Counterslip
Finzels Reach
Bristol
BS1 6BX

Strategic Report for the year ended 31 December 2019

The directors have pleasure in presenting their Strategic report and the audited consolidated financial statements of Andrews & Partners Limited for the year ended 31 December 2019.

Principal activities and review of the business

The principal activities of the group are in residential estate agency, letting and management and financial services.

The key performance indicators of the business are revenue, profit before tax and cash flow.

Total revenue fell by 14% from £30,422,993 in 2018 to £26,178,836 in 2019. The group made a loss before tax and charitable donations of £1,170,881 in 2019 compared to a profit before tax of £3,603,661 in 2018. The fall in result was due to the property market transactions steadily declining, which led to a restructure of the Board and Management team. There were no donations declared for the year compared to the £1,000,000 in 2018.

2019 was a year of change for Andrews & Partners due to a restructure of the Board and Management and implementation of a new point of sale system. This resulted in a decrease in administration costs from £31,566,642 to £27,580,600 including the costs to restructure the business. The cash flow remains positive despite net cash used in the period of £1,709,223 with the cash balance reducing down to £6,007,864. Loans reduced by £206,073 from £325,529 at 31 December 2018, to £119,456 at 31 December 2019. There has been reduction capital expenditure in recent years and this is reflected in the group's depreciation and amortisation charge for the year reducing from £2,071,518 in 2017, £1,672,810 in 2018 down to £1,195,341 in 2019. The fall in these non-cash charges means an decreasing gap between cash generated and the profit and loss result.

Estate Agency:

The Estate Agency division includes income derived from referrals for conveyancing services. This remained the largest division in 2019 comprising 45% of group revenue (2018 43%). Total revenue fell by 21% to £11,831,091 in 2019 from £14,955,896 in 2018. Within this figure, estate agency income fell by 21% whilst the conveyancing income in 2019 of £685,520 fell by 15% from £802,413 in 2018. The fall in income was not unexpected due to the decreasing market transactions and restructure carried out during the year. Total administrative expenses decreased by 12% compared to 2018 significantly reducing the loss. The loss for the year before taxation of £2,604,270 in 2019 compared to £1,380,634 in 2018, due to the restructure with the aim to return profit in 2020.

Financial Services:

The Financial Services division offer mortgage and protection products. They have been directly regulated by the FCA since May 2016 having previously been an appointed representative of Legal & General. This division works closely with the estate agency division and operates mainly through the branch network. They also operate through three appointed representative firms which are under the supervision of Andrews. Some of these firms work outside the Andrews' branch network. Financial services income fell by 9% to £2,846,425 2019 from £3,125,437 in 2018.

The mortgage and protection market has continued to benefit in 2019 from the existing customer base which saw an increase in remortgaging and product transfers, in a competitive market. However, the number of buy to let mortgages taken out continue be reduced due to tax changes affecting landlords, this does appear to have now stabilised.

The decline in performance of Andrews Estate Agency had a direct impact on the appointments generated for the Financial Services division and as a result its profit before tax fell from £511,387 in 2018 to £363,922 in 2019.

Following a board re-structure in 2019, the business is going through a 3 year strategy to harness the benefit of removing business silos and focusing on customer outputs. A complete review of operating practices and procedures across the group is ongoing. This restructuring will continue into 2020 until such a time as the business is operationally efficient and profitable.

Lettings and Management:

Profit before tax more than doubled in the year from £362,443 in 2018 to £814,067 in 2019. The operating profit margin on revenue increased to 6.2% in 2019 from 2.98% in 2018. This increase was achieved due to a decrease in Administrative expenses from £11,897,392 in 2018 to £10,787,115 and income remaining strong.

Looking ahead to the coming year the prospects for the lettings market look reasonably strong. Conditions are still largely favourable on the demand side given poor house purchase affordability.

Landmark Surveyors:

The surveying division, Landmark Surveyors Ltd was sold to Simply Biz on the 22nd January 2018. A referral arrangement still exists to generate additional revenue for the group and continue the relationship with Landmark Chartered Surveyors.

Results and dividends

The trading results for the year and the financial position of the company and group are shown in the annexed financial statements. No dividends were paid during the year and the directors do not propose the payment of a final dividend.

Strategic Report for the year ended 31 December 2019 (Continued)

Principal risks and uncertainties

The group takes a proactive approach to risk management with the aim of protecting its' employees and customers and safeguarding the interests of the company and its' shareholders.

The most significant external risk factor for the group is UK macroeconomic conditions. This includes the availability and cost of mortgage finance and confidence in the residential property market particularly in the south of England where the majority of branches are located. All these factors influence the volume of transactions in the market. The core driver for the housing market remains supply. The directors regularly review the market conditions and forward indicators to assess whether any action is required to reduce costs or vary the pace of expansion. Brexit and the Covid 19 pandemic have caused ongoing uncertainty in the property market which could adversely affect the volume of transactions.

The Government announced the banning of fees charged to tenants with effect from June 2019 and this had a significant impact on the lettings market. The group took steps to change its' charging structure to minimise the impact.

Andrews Estate Agents Limited, a group company, is directly authorised by the FCA for financial services. This carries with it regulatory compliance risk but steps have been taken to mitigate this risk including appointing a Head of Compliance and regulated services and using external consultancy advice as appropriate.

Internally the principal risk factor is ensuring that sufficient high quality people are recruited, developed and retained. The group invests a considerable amount in recruitment, training and development to mitigate this risk. The culture of the company generates significant loyalty within senior and mid-management.

Another internal risk factor for the group is dependency on IT systems which could potentially fail leading to interruption of service. All key IT systems are closely monitored to mitigate this risk and business continuity plans are in place to build resilience. The company continue to insure against cyber risk.

Future developments

The strategy going forward will include all divisions working much more closely in a "one company" approach to ensure customers' needs are fully met. The company was restructured at all levels following the sale Landmark Surveyors Ltd in 2018, providing the platform to be more customer centric and make the most of the clear opportunity for the group to earn more revenue from servicing the existing customer base. The demand for new build property is relatively robust supported by the Government Help to Buy scheme. The intention is to develop the new homes business further to take advantage of this. Looking ahead to the coming year the prospects for the lettings market conditions are still largely favourable on the demand side given poor house purchase affordability, but the new stamp duty arrangements and tax changes may limit supply side growth. The group have made and are continuing to make plans to minimise the impact of this fundamental change by finding new sources of revenue. As well as growing revenue, the strategy is to restrain costs to become more operationally efficient and increase profit margins.

By Order of the Board


B Ford
Secretary

24th September 2020

Directors' Report for the year ended 31 December 2019

The directors have pleasure in presenting their report and the audited consolidated financial statements of Andrews & Partners Limited for the year ended 31 December 2019.

Relevant information around future developments for the Company and the applicable dividend policy for the period, can both be seen within the Strategic Report.

Financial risks

The company's revenue is dependent on the volume of activity in the property market which is sensitive to interest rate movements as they affect the cost of borrowing to finance house purchases. The Bank of England maintained base rate at 0.75% throughout 2019, in 2020 the base rate has been cut to 0.1%. Although the trend now appears to be upwards, the indication is that this will be a very gradual process which will not have a significant impact on the market.

The Covid 19 pandemic has been identified as a non adjusting post balance sheet event, the company have taken steps to minimise the impact on the business while also maintaining the safety of staff and customers. The impact on revenue for Estate Agency has been particularly significant to the business however with Lettings & Management maintaining strong income levels due to the recurring nature of income and the steps taken by management this does not affect the going concern basis of the company. Andrews & Partners have a strong balance sheet with no discernable debts, a cash balance in excess of £6m and with current cash costs in the unlikely event no income was received the business could survive for 3 to 4 months with no government support.

Directors' indemnities

As permitted by the Articles of Association, the directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force.

Directors

The directors who held office during the year and up to the date of signing the financial statements are set out on page 2.

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

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 (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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 also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for 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.

Provision of information to auditors

In accordance with Section 418 of the Companies Act 2006, each director in office at the date the directors' report is approved, confirms that:

- (a) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- (b) he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment has been proposed at the Annual General Meeting.

Directors' Report for the year ended 31 December 2019 (Continued)

Employee Involvement

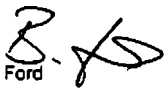
The company has continued this year the practice of consulting and keeping employees informed of matters affecting them as employees and the financial and economic factors affecting the performance of the company. This is achieved by the company intranet, yammer, e mail communication to all staff, regular training courses, meetings and conferences. During 2019 every member of staff attended group strategy update meetings which are aimed at ensuring all staff understand the company strategy. They also attended masterclasses to understand the new brand identity of the company.

The involvement of employees in the company's performance is encouraged through monthly commission and profit share schemes.

Employment of disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicants concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the group continues. Training, career development and promotion of disabled persons is, as far as possible, identical to that of other employees who are not disabled.

By Order of the Board



B Ford
Secretary

24th September 2020

Independent auditors' report to the members of Andrews & Partners Limited

Report on the audit of the financial statements

Opinion

In our opinion, Andrews & Partners Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 31 December 2019 and of the group's loss and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Consolidated and Company Balance sheets as at 31 December 2019; the Consolidated and Company profit and loss accounts and Consolidated statement of comprehensive income, the Consolidated cash flow statement the note to the consolidated cash flow statement, and the Consolidated and Company Statements of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which 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 and 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.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's and company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Andrews Partners Limited

Independent auditors' report to the members of Andrews & Partners Limited Report on the audit of the financial statements (Continued)

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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 group's and 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 group or the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 FRC's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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
- certain disclosures of directors' remuneration specified by law are not made; or
- the company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Andrew Latham (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Bristol
24th September 2020

Consolidated profit and loss account for the year ended 31 December 2019

	Note	2019 £	2018 £
Revenue	5	26,178,836	30,422,993
Administrative expenses		(27,580,600)	(31,568,642)
Other operating income		99,846	64,485
Gain on Disposal of Investment financial assets		-	422,604
Loss before interest and taxation		(1,301,918)	(658,560)
Interest receivable and similar income	8	142,895	119,024
Interest payable and similar expenses	8	(11,858)	(21,737)
Loss before disposal of Landmark Surveyors Ltd		(1,170,881)	(559,273)
Profit on disposal of Landmark Surveyors Ltd		-	4,162,934
(Loss)/Profit before taxation	8	(1,170,881)	3,603,661
Tax on (loss)/profit	9	208,066	235,237
(Loss)/Profit for the financial year		(964,815)	3,838,898

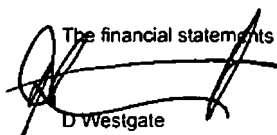
Consolidated statement of comprehensive income for the year ended 31 December 2019

	2019 £	2018 £
Profit/(Loss) for the financial year	(964,815)	3,838,898
Other comprehensive income:		
Freehold properties revaluation	-	1,002,389
Deferred tax	(4,670)	-
Deferred tax relating to revalued properties	-	(95,700)
Other comprehensive income/(expense) for the year	(4,670)	906,689
Total comprehensive (expense)/income for the year	(969,485)	4,745,587

Consolidated Balance sheet as at 31 December 2019
company number 235326

	Note	2019 £	2019 £	2018 £	2018 £
Non-current assets					
Property, plant and equipment	10		6,314,064		7,003,933
Available-for-sale financial assets			-		-
Goodwill	12		308,545		354,826
Total non-current assets			6,622,609		7,358,759
Current assets					
Debtors	13	3,184,279		3,518,692	
Cash at bank and in hand		6,007,864		7,717,087	
		9,192,143		11,235,779	
Creditors - amounts falling due within one year	14	(2,291,284)		(3,836,723)	
Net current assets			6,900,859		7,399,056
Total assets less current liabilities			13,523,468		14,757,815
Creditors - amounts falling due after more than one year	15		(27,419)		(145,886)
Provisions for liabilities	16		(611,984)		(758,379)
Net assets			12,884,065		13,853,550
Capital and reserves					
Called up share capital	18		146,630		146,630
Revaluation reserve			2,332,396		2,337,066
Profit and loss account			10,405,039		11,369,854
Total equity			12,884,065		13,853,550

The financial statements on pages 9 to 33 were approved by the board of directors on 24th September 2020 and were signed on its behalf by:


D Westgate
Director

Company Balance sheet as at 31 December 2019
company number 235326

	Note	2019 £	2019 £	2018 £	2018 £
Non-current assets					
Investments	11		200,100		200,100
Current assets					
Debtors	13	4,182,827		4,411,970	
Cash at bank and in hand		145,229		145,229	
		4,328,056		4,557,199	
Creditors - amounts falling due within one year	14	(24,565)		(444,564)	
Net current assets			4,303,491		4,112,635
Total assets less current liabilities			4,503,591		4,312,735
Creditors – amounts falling due after more than one year	15		-		(12,329)
Provisions for Liabilities	16		(100,000)		(100,000)
Total assets less current liabilities and net assets			4,403,591		4,200,406
Capital and reserves					
Called up share capital	18		146,630		146,630
Profit and loss account			4,256,961		4,053,776
Total equity			4,403,591		4,200,406

The company has elected to take the exemption under Section 408 of the Companies Act 2006 not to present the company profit and loss account. The profit for the company for the year was £203,185 (2018: profit of £4,745,587).

The financial statements on pages 9 to 33 were approved by the Board of Directors on 24th September 2020 and were signed on its behalf by:

D Westgate
 Director

Consolidated Statement of Changes in Equity for the year ended 31 December 2019

	Called up share capital	Revaluation reserve	Profit and loss account	Total Shareholders' funds
	£	£	£	£
Balance at 1 January 2019	146,630	2,337,066	11,369,854	13,853,550
Profit/ (Loss) for the financial year	-	-	(964,815)	(964,815)
Other comprehensive expense for the year	-	(4,670)	-	(4,670)
Total comprehensive expense for the year	-	(4,670)	(964,815)	(969,485)
Distribution to parent charities	-	-	-	-
Total transactions with shareholders	-	-	-	-
Balance at 31 December 2019	146,630	2,332,396	10,405,039	12,884,065

	Called up share capital	Revaluation reserve	Profit and loss account	Total Shareholders' funds
	£	£	£	£
Balance at 1 January 2018	146,630	1,430,377	8,530,956	10,107,963
Profit for the financial year	-	-	3,838,898	3,838,898
Other comprehensive income for the year	-	906,689	-	906,689
Total comprehensive income for the year	-	906,689	3,838,898	4,745,587
Distribution to parent charities	-	-	(1,000,000)	(1,000,000)
Total transactions with shareholders	-	-	(1,000,000)	(1,000,000)
Balance at 31 December 2018	146,630	2,337,066	11,369,854	13,853,550

Company Statement of Changes in Equity for the year ended 31 December 2019

	Called up share capital	Profit and loss account	Total Shareholders ' funds
	£	£	£
Balance at 1 January 2019	146,630	4,053,776	4,200,406
Profit for the financial year	-	203,185	203,185
Total comprehensive expenses for the year	-	203,185	203,185
Distribution to parent charities	-	-	-
Total transactions with shareholders	-	-	-
Balance at 31 December 2019	146,630	4,256,961	4,403,591

	Called up share capital	As restated Profit and loss account	As restated Total Shareholders ' funds
	£	£	£
Balance at 1 January 2018	146,630	201,891	348,521
Profit for the financial year	-	4,851,885	4,851,885
Total comprehensive income for the year	-	4,851,885	4,851,885
Distribution to parent charities	-	(1,000,000)	(1,000,000)
Total transaction with shareholders	-	(1,000,000)	(1,000,000)
Balance at 31 December 2018	146,630	4,053,776	4,200,406

Consolidated cash flow statement for the year ended 31 December 2019

	2019	2019	2018	2018
	£	£	£	£
Net cash from operating activities	(1,311,534)		105,983	
Taxation	-		(64,209)	
Net cash (used in)/generated from operating activities	(1,311,534)		41,774	
Cash flow from investing activities				
Net cash received from disposal of Landmark Surveying Ltd	-	2,255,766		
Receipts for disposal of shares held in Zoopla	-	676,482		
Payments to acquire property, plant and equipment	(538,230)	(729,329)		
Receipts from sale of property, plant and equipment	202,592	140,218		
Net cash (used in)/generated from investing activities	(335,638)		2,343,137	
Cash flow from financing activities				
Interest received	142,895	119,024		
Interest paid	(11,858)	(21,737)		
Net repayments of loans	(193,745)	(346,253)		
Charitable donations	-	(1,000,000)		
Net cash used in financing activities	(62,708)		(1,248,966)	
Net (decrease)/increase in cash in the year	(1,709,880)		1,135,945	
Cash at 1 January	7,717,087		6,581,146	
Cash at 31 December	6,007,207		7,717,087	

Note to the consolidated cash flow statement

Reconciliation of cash flow from operating activities with (loss)/profit for the financial year

	2019	2018
	£	£
(Loss)/Profit for the financial year	(964,815)	3,838,898
Adjustments for:		
Tax on (loss)/profit	(206,066)	(235,237)
Interest receivable	(142,895)	(119,024)
Interest payable	11,858	21,737
Profit on Sale of available for sale assets	-	(422,604)
Profit on sale of Landmark Surveyors Ltd	-	(4,162,934)
Depreciation charges	1,149,060	1,626,529
Amortisation charges	46,281	46,281
Unrealised gain on Freehold revaluation	-	(175,250)
Profit/(Loss) on sale of property, plant and equipment	(123,557)	(78,346)
Decrease in provision for liabilities and charges	(146,395)	(30,582)
Working capital movements:		
Increase/(decrease) in debtors	535,813	(220,096)
(Decrease)/increase in creditors	(1,470,818)	16,611
Cash flow (used in)/generated from operating activities	(1,311,534)	105,983

Notes to the financial statements for the year ended 31 December 2019

1. General Information

Andrews & Partners Limited ("the company") and its subsidiaries (together "the group") is a residential estate agency and property group operating from a network of branches in the South of England. It offers estate agency and letting services, together with a range of complementary services including financial services and surveying.

The company is a private company limited by shares and is incorporated and domiciled in the United Kingdom. The address of its registered office is The Clockhouse, Bath Hill, Keynsham, Bristol BS31 1HL.

2. Statement of compliance

The group and individual financial statements of Andrews & Partners Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

3. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated and separate financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of certain freehold properties. The company has taken advantage of the exemption in section 408 of the Companies Act from disclosing its individual profit and loss account.

Following the publication of the triennial update to FRS 102, the Directors have considered the amendment concerning the tax treatment of gift aid payments made by companies that are wholly owned by one or more charities to those charities and determined that the payments themselves should be classified as distributions and not an expense of the Group and Company. As such the prior year Statement of Comprehensive Income has been restated, increasing reported profits by £1m, with a corresponding adjustment to the Statement of Changes in Equity. There was no impact on net current assets or net assets as a result of this change. As a consequence of making this policy change, the Group and Company has early adopted the specific provisions of FRS 102 concerning the tax treatment of gift aid payments made by companies that are wholly owned by one or more charities to those charities.

Revenue recognition

Revenue from services is recognised in the period in which the service is rendered, when the significant risks and rewards of ownership have been transferred to the buyer, the amount of revenue can be measured reliably, it is probable that future economic benefits will flow to the entity, and when the specific criteria relating to each of the company's sales channels have been met, as described below.

Notes to the financial statements for the year ended 31 December 2019 (continued)

3. Summary of significant accounting policies (continued)

a) Estate Agency:

Commission receivable in respect of the sale of property on behalf of clients is recognised in the financial statements on the exchange of each sale.

b) Other Activities:

Turnover represents commission and fees from property letting and management, and commissions from financial services. Initial commission on financial services is recognised as income when the policy goes on risk. A provision is made for future drawbacks of initial commission anticipated to arise in the indemnity period. Renewal commission is recognisable on a received basis. Fees and commissions receivable from clients of the property letting and management business are and loss account on completion of the letting of the property, as rents credited to the profit fall due or over the duration of the management contract. Commission receivable in respect of surveys is recognised when the work has been completed.

Property, plant and equipment

The group has continued to adopt a policy of revaluation for its properties and separates these assets into components where they have significantly different economic useful lives. Property, plant and equipment are stated at cost or valuation less depreciation calculated on the following basis:

a) Freehold premises:

Freehold buildings are depreciated on a straight-line basis over 50 years.
Freehold land is not depreciated.

b) Short leasehold premises:

Premises with leases with less than 50 years to run are depreciated over the unexpired period of the lease.

c) Furniture and equipment

Furniture and equipment is depreciated on a straight-line basis at varying rates from 20% to 33% per annum.

d) Motor vehicles

Owned motor vehicles are depreciated on a straight-line basis over 4 years.

Goodwill

Purchased goodwill on the acquisition of existing businesses has been accounted for at cost. Goodwill has been written off over a period of five to ten years. The directors consider that this reflects the useful economic life of the managed lettings contracts taken over when acquiring the business. The carrying value of goodwill is reviewed annually for impairment.

Financial assets:

Available-for-sale financial assets are non-derivative financial assets. They are carried at fair value and included in non-current assets. Gains and losses arising from changes in fair value are recognised in the profit and loss account. Dividends are recognised in the profit and loss account when the group's right to receive the dividends is established.

Notes to the financial statements for the year ended 31 December 2019 (continued)

3. Summary of significant accounting policies (continued)

Financial Instruments

The Company only has financial assets and financial liabilities that qualify as 'basic financial instruments' under FRS 102. Basic financial instruments are initially recognised at transaction value and subsequently held at amortised cost. Basic financial instruments held by the Company constitute trade and other debtors, debenture loans, trade creditors and other loans as disclosed in notes 13, 14 and 15.

Revaluation reserve

Increases in valuations arising on the revaluation of property are taken to the revaluation reserve. Any decreases in valuations are taken to the revaluation reserve to the extent that the individual properties have been revalued upwards previously.

Deferred taxation

Provision is made for deferred taxation on all material timing differences. Deferred tax assets are recognised where their recovery is considered more likely than not. Deferred tax assets and liabilities have not been discounted.

Operating leases

Payments under operating leases are expensed when incurred. Premiums paid under operating leases to secure a leasehold property are capitalised within fixed assets and amortised over the life of the lease.

Employee Benefits

The group provides a range of benefits to employees, including bonus arrangements, paid holiday arrangements and pensions. The group provides defined contribution pension plans for its employees. A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. Once the contributions have been paid the group has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plans are held separately from the group in independently administered funds.

Short term benefits, including holiday pay, are recognised as an expense in the period in which the service is received.

Charitable donations

Charitable donations are recognised when payable.

Notes to the financial statements for the year ended 31 December 2019 (continued)

4. Critical accounting judgements and estimation uncertainty

Estimations and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates, given the uncertainty surrounding the assumptions and conditions upon which the estimates are based.

The directors consider that the following estimates and judgements are likely to have the most significant effect on the amounts recognised in the group's consolidated financial statements:

a) Surveying Claims (note 16)

Provision is made for compensation payable in respect of claims arising from residential surveys carried out by Landmark Surveyors Ltd and whilst under the ownership of the group. The provision is made up of two categories. Firstly, appropriate reserves are made for known claims already received and recorded in the insurance bordereaux. Secondly, the group makes provision for liabilities in respect of unknown future claims yet to be received in respect of surveys already done whilst under ownership of the group. The second category of provision is judgemental by its' very nature. It will depend on claim rate, claim liability rate and average loss all of which are very sensitive to any changes in trend. The provision made in this category is based on previous experience of losses based on historical data and experience.

b) Impairment of goodwill (note 12)

Determining whether goodwill is impaired requires a management estimate of future cash flows. The goodwill in the group's financial statements relates to the future value of managed lettings contracts acquired when the associated business was purchased. The key judgement here is the attrition rate of the lets over time and this is monitored by management on an ongoing basis.

c) Property, plant and equipment (note 10)

The annual depreciation charge for property, plant and equipment is sensitive to changes in the estimated economic useful lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually, and are amended to reflect current estimates based on market conditions. Assets are revalued on a periodic basis using appropriate assumptions; further detail is provided in note 10 to these financial statements.

Notes to the financial statements for the year ended 31 December 2019 (continued)

5. Revenue

Revenue arises wholly in the UK and represents amounts receivable for services provided to third parties and comprises:

	2019	2018
	£	£
Estate agency	11,145,571	14,153,483
Conveyancing	685,520	802,413
Total estate agency division	11,831,091	14,955,896
Letting and management	11,501,320	12,182,617
Surveying	-	159,043
Financial services	2,846,425	3,125,437
	26,178,836	30,422,993

Notes to the financial statements for the year ended 31 December 2019 (continued)**6. (Loss)/Profit before taxation**

	2019	2018
	£	£
Estate Agency including conveyancing	(2,604,270)	(1,380,634)
Financial services	363,922	511,387
Letting and management	814,067	362,443
Surveying	-	(53,203)
Andrews & Partners	255,400	4,163,668
(Loss)/Profit before taxation	(1,170,881)	3,603,661
And is stated after charging/(crediting):		
Interest payable on:		
- other loans	11,858	21,737
	11,858	21,737
Interest receivable on:		
-corporation tax	-	-
- bank deposits	(142,895)	(119,024)
	(142,895)	(119,024)
(Loss)/Profit on sale of property, plant and equipment	123,557	(78,332)
Amortisation of goodwill	46,281	46,281
Depreciation	1,149,060	1,626,529
Operating lease charges - Land and Buildings	1,151,999	1,537,389
Services provided by the company's auditors:		
Fees payable for the audit of the parent and group financial statements	5,150	5,150
Fees payable for the audit of subsidiaries	29,400	22,650
Fees payable for tax compliance	16,400	18,000
Fees payable for other services required by legislation	2,400	2,350

Notes to the financial statements for the year ended 31 December 2019 (continued)

7. Staff costs

The Group

(a) Staff costs (including directors' remuneration comprise):

	2019	2018
	£	£
Wages and salaries	14,889,059	17,010,258
Social security costs	1,473,737	1,872,027
Other pension costs (defined contribution plans)	552,219	586,551
	16,915,015	19,468,836

(b) The full time equivalent monthly average number of persons employed by the group was:

	2019	2018
	Number	Number
Estate agency	198	286
Lettings	165	189
Financial services	25	29
Administration and support	56	63
	444	567

Notes to the financial statements for the year ended 31 December 2019 (continued)

7. Staff costs (continued)

The Company

(a) Staff costs (including directors' remuneration comprise):

	2019	2018
	£	£
Wages and salaries	-	77,030
Social security costs	-	8,323
	-	85,353

(b) The full time equivalent monthly average number of persons employed by the company was:

	2019	2018
	Number	Number
Non-executive directors	1	1

8. Directors' emoluments (Group)

	2019	2018
	£	£
Aggregate emoluments	862,215	520,702
Company contribution paid to:		
Defined contribution pension scheme	20,314	24
Number of directors to whom retirement benefits are accruing under the defined contribution pension scheme	6	2
Highest paid director		
Aggregate emoluments	263,555	263,555
Company contribution paid to:		
Defined contribution pension scheme	12	12

Notes to the financial statements for the year ended 31 December 2019 (continued)

9. Tax on (loss)/profit	2019	2018
	£	£
Tax expense/(income) included in profit and loss		
current year at 19% (2018: 19.25%)	-	-
adjustments in respect of previous periods	(31,744)	-
Total current tax	-	-
Deferred tax - prior year (note 17)	7,639	-
- effect of rate change (note 17)	21,405	30,882
- current year (note 17)	(203,366)	(266,119)
Tax on (loss)/profit	(206,066)	(235,237)

The tax for the year is higher (2018: highlight) than the standard rate of corporation tax in the UK of 19% (2018: 19.25%).

The differences are explained below:

	2019	2018
	£	£
(Loss)/profit before taxation	(1,170,881)	3,603,661
(Loss)/profit at the UK tax rate of 19% (2018: 19%)	(222,467)	684,696
<i>Effects of:</i>		
Expenses not deductible for tax purposes	60,018	123,879
Revaluation	-	1,533
Income not subject to tax	(40,917)	(1,076,227)
Impact of change in tax rate	21,405	30,882
Adjustments in respect of previous periods	(24,105)	-
Total tax charge/(credit)	(206,066)	(235,237)

In the Spring Budget 2020, the Government announced that from 1 April 2020 the corporation tax rate would remain at 19% (rather than reducing to 17%, as previously enacted). This new law was substantively enacted on 17 March 2020. As the proposal to keep the rate at 19% had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements.

Notes to the financial statements for the year ended 31 December 2019 (continued)**10 Property, plant and equipment**

The group	Freehold premises	Short leasehold premises	Furniture and equipment	Motor vehicles	Total
	£	£	£	£	£
At cost/valuation					
At 1 January 2019	4,390,000	248,597	10,443,834	2,009,961	17,092,392
Additions	-	-	538,230	-	538,230
Disposals	-	-	-	(688,692)	(688,692)
Freehold revaluation	-	-	-	-	-
At 31 December 2019	4,390,000	248,597	10,982,064	1,321,269	16,941,930
Accumulated depreciation					
At 1 January 2019	-	169,157	8,504,439	1,414,863	10,088,459
Charge for year	58,533	7,004	911,833	171,690	1,149,060
Disposals	-	-	-	(609,653)	(609,653)
Freehold revaluation	-	-	-	-	-
At 31 December 2019	58,533	176,161	9,416,272	976,900	10,627,866
Net book amounts					
At 31 December 2019	4,331,467	72,436	1,565,792	344,369	6,314,064
At 31 December 2018	4,390,000	79,440	1,939,395	595,098	7,003,933

The group's freehold properties are formally revalued every five years and subject to an impairment review in the intervening years. They were last formally revalued at 31 December 2018 on the basis of open market value by Colliers International who are independent qualified valuers. The valuations were undertaken in accordance with the Appraisal and Valuation Manual of the Royal Institute of Chartered Surveyors in the United Kingdom. These valuations have been incorporated into the financial statements and the resulting revaluation adjustments have been taken both to the revaluation reserve (£1,002,389), in relation to uplifts in value above original costs, and the profit and loss account (£175,250), in relation to reversal of previous impairments below original cost in 2018.

At 31 December 2019 the historical cost of the revalued freehold premises was £2,259,543 (2018: £2,259,543) and short leasehold premises £50,500 (2018: £50,500). As at 31 December 2019 the historical net book value of the revalued freehold premises was £1,159,342 (2018: £1,217,875) and short leasehold premises £27,449 (2018: 28,890).

There were no capital commitments at 31 December 2019 (31 December 2018: nil).

Notes to the financial statements for the year ended 31 December 2019 (continued)**11. Investments**

The Company	Shares in subsidiaries £
At 31 December 2018 and 31 December 2019	200,100

The subsidiaries, all of which have been consolidated, wholly owned and incorporated in the United Kingdom are:

	Proportion of nominal value of shares held		Nature of Business
	By the Company %	By the Group %	
Andrews Estate Agents Limited	100	100	Estate Agents
Andrews Letting and Management Limited	100	100	Letting Agents
Andrews Pension Trust Limited	100	100	Pension Trustee
Andrews West Street Management Limited	-	100	Property Management

Andrews West Street Management Limited (company number 05619715) is exempt from the requirements of this Act relating to the audit of financial statements under section 479A of the Companies Act 2006. The registered address of all subsidiaries is The Clockhouse, Bath Hill, Keynsham BS31 1HL.

Notes to the financial statements for the year ended 31 December 2019 (continued)

12. Goodwill

	Goodwill £
At cost	
1 January 2019 and 31 December 2019	867,033
Accumulated amortisation	
01 January 2019	512,207
Charge for year	46,281
31 December 2019	558,488
Net book amount	
31 December 2019	308,545
31 December 2018	354,826

The goodwill cost includes the fully amortised acquisition of Accredited Lettings limited of £404,220, Accredited Lettings Limited being dissolved in July 2018. The remaining goodwill at 31 December 2019 relates to the acquisition of managed letting contracts in 2016. The directors believe that the carrying value of this goodwill at 31 December 2019 is accurate.

Notes to the financial statements for the year ended 31 December 2019 (continued)**13. Debtors**

	2019	2018
	£	£
The Group		
Trade debtors	1,416,968	1,007,903
Corporation Tax	31,744	-
Other debtors	775,485	1,733,552
Deferred tax asset (note 19)	306,095	136,439
Prepayments and accrued income	653,987	640,798
	3,184,279	3,518,692
The Company		
Amounts owed by group undertakings	3,457,827	2,961,970
Other debtors	725,000	1,450,000
	4,182,827	4,411,970

14. Creditors - amounts falling due within one year

	2019	2018
	£	£
The Group		
Trade creditors	52,893	251,621
Outstanding pension contributions	95,430	115,881
Corporation tax	-	-
Other taxation and social security	805,404	1,194,703
Proposed gift aid donation	-	420,000
Other loans	92,037	179,644
Accruals and deferred income	1,245,520	1,674,874
	2,291,284	3,836,723

Notes to the financial statements for the year ended 31 December 2019 (continued)

14. Creditors - amounts falling due within one year (continued)

The other loans are secured against the motor vehicles of the company which have a net book value of £344,369 at 31 December 2019 (2018: £595,098). Repayment of capital and interest is made on a monthly basis until 2020. Interest payable on these loans is fixed over the duration of the loans and averages 3.1%.

	2019	2018
	£	£
The Company		
Amounts owed to group undertakings	-	-
Proposed gift aid donation	-	420,000
Accruals and deferred income	24,565	24,564
	24,565	444,564

15. Creditors - amounts falling due after more than one year

	2019	2018
	£	£
The Group		
Other loans – amount due between one and two years	27,419	106,137
Other loan and accruals – amount due between two and five years	-	39,749
	27,419	145,886

	2019	2018
	£	£
The Company		
Accruals and deferred income – amount due between one and two years	-	12,329
	-	12,329

Notes to the financial statements for the year ended 31 December 2019 (continued)**16. Provisions for liabilities**

The Group	Onerous Lease Provision (Note (i)) £	Clawback Provision (Note (ii)) £	Surveying Claims (Note (iii)) £	Total £
At 1 January 2019	312,000	346,379	100,000	758,379
Utilised in the year	(108,630)	(145,724)	-	(254,354)
Provided in the year	-	107,959	-	107,959
At 31 December 2019	203,370	308,614	100,000	611,984

The Company	Surveying Claims (Note (ii)) £	Total £
At 1 January 2019	100,000	100,000
Utilised in the year	-	-
Provided in the year	-	-
At 31 December 2019	100,000	100,000

(i) Onerous lease provisions

Following the closure of 4 sites during 2018 an onerous lease provision was recognised which represents the directors' estimates of the net unrecovered costs during the remaining period of the leases, these leases still remain as onerous at the 31st December 2019

(ii) Clawbacks

Provision is made for future clawbacks of initial financial services commission anticipated to arise in the 38 month indemnity period. The group has analysed historical data to calculate the rate of projected future clawbacks based on past experience.

(iii) Surveying claims

Following the sale of Landmark Surveyors Ltd the company have retained a provision of £100,000 for potential claims arising in respect of activity before the sale.

Notes to the financial statements for the year ended 31 December 2019 (continued)

17. Deferred taxation

	2019	2018
	£	£
The Group		
The deferred tax asset consists of the following:		
Revaluation of properties	-	150,418
Assets realised through use	-	(267,618)
Fixed Asset Timing Differences	(148,342)	-
Losses	(141,528)	-
Other short term timing differences	(16,225)	(19,239)
	(306,095)	(136,439)

Reconciliation of movement in deferred tax during the year:

	2019	2018
	£	£
At 1 January 2019	(136,439)	(8,864)
Profit and loss – current year (note 9)	(181,965)	(235,237)
Adjustments in respect to prior years	7,639	-
Disposals	-	11,962
Charge to other comprehensive income	4,670	95,700
At 31 December 2019	(306,095)	(136,439)

Deferred Tax split between (assets)/liabilities:

<u>Deferred tax asset</u>		
Recoverable within 12 months	(16,225)	(25,843)
Recoverable after 12 months	(289,870)	(110,596)
	(306,095)	(136,439)
 <u>Total deferred tax asset</u>	 (306,095)	 (136,439)

Notes to the financial statements for the year ended 31 December 2019 (continued)

18. Called up share capital

The Group and the Company

	Ordinary shares of 50p each	
	Number	£
Allotted, issued and fully paid:		
At 1 January 2019 and 31 December 2019	293,260	146,630

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

19. Operating lease commitments

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

	2019	2018
	Land and Buildings	Land and Buildings
	£	£
Within one year	842,853	1,032,684
Later than one year and less than five years	2,248,528	2,919,124
After five years	1,203,911	1,926,001
	4,295,292	5,877,809

The company itself had no operating lease commitments at 31 December 2019 (2018: nil).

20. Ultimate parent undertaking and controlling party

The company's immediate and ultimate controlling party is the charity Andrews Charitable Trust, which holds 84.3% (2018: 84.3%) of the allotted share capital of Andrews & Partners Limited. The largest group to consolidate the company results are in the Andrews Charitable Trust financial statements, these are available at the same address as the company. The smallest group to consolidate the company results are in these financial statements.

There were no amounts due to or from Andrews Charitable Trust at the balance sheet date.

Notes to the financial statements for the year ended 31 December 2019 (continued)

21. Related party disclosure

The company made charitable donations to the three shareholding charitable trusts as follows:

	2019	2018
	£	£
Andrews Charitable Trust	-	843,000
Christian Book Promotion Trust	-	157,000
	-	1,000,000

The company is exempt under the terms of Financial Reporting Standard 8 from disclosing related party transactions and balances with entities that are part of the Andrews & Partners Limited group that have been eliminated on consolidation.

22. Financial Instruments

	2019	2018
	£	£
Group		
Financial assets measured at amortised cost comprise trade and other debtors	2,192,453	2,741,455
Financial liabilities measured at amortised cost	52,893	251,621
Company		
Financial assets measured at amortised cost comprise trade and other debtors	4,182,827	4,411,970
Financial liabilities measured at amortised cost	24,565	24,564

Financial assets measured at amortised cost comprise trade, other debtors and amounts owed to group undertakings.

Financial liabilities measured at amortised cost comprise trade and other creditors.

23. Post Balance Sheet

Covid 19 pandemic has been identified as a non adjusting post balance sheet event, the company have taken steps to minimise the impact on the business while also maintaining the safety of staff and customers. The impact on revenue for Estate Agency has been particularly significant to the business however with Lettings & Management maintaining strong income levels due to the on recurring nature of income and the steps taken by management this does not affect the going concern basis of the company.