

Company Registration No. 01271649 (England and Wales)

FERRONERS PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021



FERRONERS PLC

COMPANY INFORMATION

Directors Colonel C P H Knaggs
A G Wauchope
J Verden

Secretary A M Harrison

Company number 01271649

Registered office Ironmongers' Hall
Shaftesbury Place
London
EC2Y 8AA

Auditors HW Fisher LLP
Acre House
11-15 William Road
London
NW1 3ER
United Kingdom

Bankers Barclays Bank PLC
1 Churchill Place
London
E14 5HP

FERRONERS PLC

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FERRONERS PLC

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2021

The directors present the strategic report for the year ended 31 March 2021.

Review of the business

The company is the entity through which the Worshipful Company of Ironmongers (incorporated by Royal Charter) generates income from the use of its Hall in the City of London. The company also holds both an investment portfolio managed by an external investment manager and investments in properties through its subsidiary companies, Ironstone Management Limited, Iron Rations Limited and Ironmaster Limited.

As a consequence of the Covid-19 restrictions applying to the hospitality sector, hall hire and catering activity was negligible in the year with turnover of £22,140 compared to £880,189 in the previous year. However, the company's net operating expenses reduced because of Coronavirus Job Retention Scheme grant income, a reduction in repairs and maintenance expenditure and business rates relief.

The company's investment valuation recovered from the previous year's fall to £9,258,428 from £7,901,815. There were no additions or withdrawals from the listed investments portfolio during the year. Income from listed investments decreased from £251,109 in the previous year to £220,256. The income return at 31 March 2021 was 2.2%, a decrease from the previous year-end when the return was 3.3%.

The company received dividends totalling £324,416 from its three property investment subsidiaries during the year compared to £327,694 in the previous year.

The company's surplus space in the Hall and its adjacent Ferroners House offices was fully let throughout the year, producing an estimated contribution of approximately £81,000. This was significantly lower than what would normally have been expected, i.e. approximately £150,000, due to rent concessions made in order to support the tenants whose business had been impacted by the consequences of the Covid-19 pandemic.

Overall, the company had a profit of £1,507,117 after fair value gains and losses on investments for the year compared to a loss in the previous year of £892,080.

COVID-19

The worldwide economic impact of the COVID-19 pandemic will continue to impact on the company's operations in the financial year ending 31/03/2022. However, the company has an action plan agreed with its catering contractor to bring the hall back into full use as soon as legislation permits.

The company's property investment subsidiaries have performed well during the year with a much lower level of rent concessions made to tenants than was initially anticipated.

The directors have taken advantage of the furlough scheme for appropriate staff and have taken measures to reduce other overhead expenditure to a minimum. At the year end the company had over £990,000 cash in hand, £500,000 of this having been set aside as a contingency in earlier years. The directors are therefore confident that the company has the ability to weather the economic downturn caused by the pandemic.

Other principal risks and uncertainties

The dividend flow to the company from its subsidiaries is dependent upon rental income received by those subsidiaries from their investment portfolio. At 31 March 2021 the investment properties were 90% let and in aggregate yielding 6.8% i.e. a significant margin over the cost of borrowing of 3.4% per annum.

By utilising the property expertise of certain members of the Ironmongers' Company and its external property advisers, Ferroners plc aims to maximise the effective yield and value of the property portfolio so that the Company is able to service both interest and eventually, capital repayment of its loan notes.

FERRONERS PLC

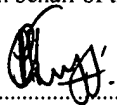
STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Future developments

The possible redevelopment by the City of London Corporation of the current site of the Museum of London, adjacent to Ironmongers' Hall, continues to be monitored closely by a working group set up by Ferroners plc's parent company, the Worshipful Company of Ironmongers.

On behalf of the board



Colonel C P H Knaggs

Director

20/09/2021

FERRONERS PLC

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

The directors present their annual report and financial statements for the year ended 31 March 2021.

Directors

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

Colonel C P H Knaggs
A G Wauchope
J Verden

Results and dividends

The results for the year are set out on page 8.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Financial instruments

There are considered to be no matters concerning financial risk which are material to the assessment of the assets, liabilities, financial position and results of the company.

Auditor

HW Fisher LLP has expressed its willingness to continue in office as auditor to the company and, in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put to the member.

Strategic report

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of future developments.

Statement of disclosure to auditor

Each of the directors has confirmed that there is no information relevant to the audit, of which they are aware, that has not been communicated to the auditor and that they have taken appropriate action to identify such relevant information.

On behalf of the board



Colonel C P H Knaggs

Director

Date: 29/09/2021

FERRONERS PLC

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2021

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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

FERRONERS PLC

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBER OF FERRONERS PLC

Opinion

We have audited the financial statements of Ferroners Plc (the 'company') for the year ended 31 March 2021 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, the 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 company's affairs as at 31 March 2021 and of its 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other information

The 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 contained within the annual report. 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. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of 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.

FERRONERS PLC

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBER OF FERRONERS PLC

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

As part of our planning process:

- We enquired of management the systems and controls the company has in place, the areas of the financial statements that are most susceptible to the risk of irregularities and fraud, and whether there was any known, suspected or alleged fraud. The company did not inform us of any known, suspected or alleged fraud.
- We obtained an understanding of the legal and regulatory frameworks applicable to the company. We determined that the following were most relevant: FRS 102 and Companies Act 2006.
- We considered the incentives and opportunities that exist in the company, including the extent of management bias, which present a potential for irregularities and fraud to be perpetuated, and tailored our risk assessment accordingly.
- Using our knowledge of the company, together with the discussions held with the company at the planning stage, we formed a conclusion on the risk of misstatement due to irregularities including fraud and tailored our procedures according to this risk assessment.

FERRONERS PLC

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBER OF FERRONERS PLC

The key procedures we undertook to detect irregularities including fraud during the course of the audit included:

- Identifying and testing journal entries and the overall accounting records, in particular those that were significant and unusual.
- Reviewing the financial statement disclosures and determining whether accounting policies have been appropriately applied.
- Reviewing and challenging the assumptions and judgements used by management in their significant accounting estimates, in particular in relation to asset valuations, provisions and depreciation.
- Assessing the extent of compliance, or lack of, with the relevant laws and regulations.
- Testing key revenue lines, in particular cut-off, for evidence of management bias.
- Obtaining third-party confirmation of material bank and loan balances.
- Performing physical verifications of key assets
- Documenting and verifying all significant related party balances and transactions.
- Reviewing documentation such as the company board minutes for discussions of irregularities including fraud.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements even though we have properly planned and performed our audit in accordance with auditing standards. The primary responsibility for the prevention and detection of irregularities and fraud rests with management.

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

Use of our report

This report is made solely to the company's member, 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 member those matters we are required to state to it 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 member as a body, for our audit work, for this report, or for the opinions we have formed.

Sailesh Mehta (Senior Statutory Auditor)

For and on behalf of HW Fisher LLP

Chartered Accountants

Statutory Auditor

Acre House

11-15 William Road

London

NW1 3ER

United Kingdom

27 September 2021

FERRONERS PLC

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	2020 £
Turnover	3	22,140	880,189
Cost of sales		(11,557)	(554,346)
Gross profit		10,583	325,843
Administrative expenses		(908,150)	(1,237,958)
Other operating income	3	220,256	192,223
Operating loss	4	(677,311)	(719,892)
Dividends receivable from group undertakings		324,416	327,694
Dividends receivable from listed investments		212,452	251,109
Income from other fixed asset investments		11,815	13,890
Interest receivable from group undertakings		228,681	229,307
Interest receivable from Ironmongers Charities		356,650	356,650
Interest payable and similar expenses	8	(509,500)	(509,500)
Fair value gains and losses on investments		1,559,914	(841,338)
Profit/(loss) before taxation		1,507,117	(892,080)
Tax on profit/(loss)	9	-	-
Profit/(loss) for the financial year		1,507,117	(892,080)
Total comprehensive income/(loss) for the year		1,507,117	(892,080)

The Statement of Comprehensive Income has been prepared on the basis that all operations are continuing operations.

FERRONERS PLC

BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	10	181,553		217,751	
Investments	11	9,258,428		7,901,815	
		<u>9,439,981</u>		<u>8,119,566</u>	
Current assets					
Stocks	15	2,023		2,036	
Debtors falling due after more than one year	14	10,500,000		10,500,000	
Debtors falling due within one year	14	7,253,601		6,911,298	
Cash at bank and in hand		992,194		938,389	
		<u>18,747,818</u>		<u>18,351,723</u>	
Creditors: amounts falling due within one year	16	<u>(4,000,862)</u>		<u>(3,791,469)</u>	
Net current assets		14,746,956		14,560,254	
Total assets less current liabilities		<u>24,186,937</u>		<u>22,679,820</u>	
Creditors: amounts falling due after more than one year	17	<u>(15,000,000)</u>		<u>(15,000,000)</u>	
Net assets		<u>9,186,937</u>		<u>7,679,820</u>	
Capital and reserves					
Called up share capital	20	50,000		50,000	
Profit and loss reserves		9,136,937		7,629,820	
Total equity		<u>9,186,937</u>		<u>7,679,820</u>	

The financial statements were approved by the board of directors and authorised for issue on 29/09/2021 and are signed on its behalf by:



Colonel C P H Knaggs
Director

Company Registration No. 01271649

FERRONERS PLC

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 April 2019	50,000	8,521,900	8,571,900
Year ended 31 March 2020:			
Loss and comprehensive income for the year	-	(892,080)	(892,080)
	<hr/>	<hr/>	<hr/>
Balance at 31 March 2020	50,000	7,629,820	7,679,820
Year ended 31 March 2021:			
Profit and comprehensive income for the year	-	1,507,117	1,507,117
	<hr/>	<hr/>	<hr/>
Balance at 31 March 2021	<u>50,000</u>	<u>9,136,937</u>	<u>9,186,937</u>

FERRONERS PLC

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash absorbed by operations	25		(728,485)		(681,472)
Corporation tax (paid)/refunded			-		8,212
Net cash outflow from operating activities			(728,485)		(673,260)
Investing activities					
Purchase of tangible fixed assets		(16,641)		(21,646)	
Dividends received		536,868		578,803	
Other investment income received		11,815		13,890	
Net cash generated from investing activities			532,042		571,047
Financing activities					
Interest paid		(509,500)		(509,500)	
Interest received		759,748		642,344	
Net cash generated from financing activities			250,248		132,844
Net increase in cash and cash equivalents			53,805		30,631
Cash and cash equivalents at beginning of year			938,389		907,758
Cash and cash equivalents at end of year			992,194		938,389

FERRONERS PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

1.1 Accounting convention

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

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

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

The company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated financial statements, on the basis that the group of which this is the parent qualifies as a small group. The financial statements present information about the company as an individual entity and not about its group.

1.2 Going concern

The directors have considered the effect of the continuing Covid-19 pandemic on the company's business. Considering the level of investments held at the year end, the directors have a reasonable expectation that the company can continue as a going concern for a period of at least twelve months from the date of approval of these financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for hall hire and catering services provided in the normal course of business, and is shown net of VAT. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

1.4 Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Fixtures, fittings & equipment	10% - 20% straight line
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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 credited or charged to profit or loss.

1.5 Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

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

Listed investments and wine held for investment purposes are stated at market valuation on the balance sheet date.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible 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).

FERRONERS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.7 Stocks

Stocks are stated at the lower of cost and net realisable value. Cost include all direct costs incurred in bringing the stocks to their present location and condition. Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion.

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.

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

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.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

FERRONERS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans and loans from fellow group companies, 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.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

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

1.11 Retirement benefits

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged as an expense as they fall due.

1.12 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 the profit and loss account 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 income 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 lease asset are consumed.

1.13 Government grants

Government grants are accounted for under the accrual model and are recognised at the fair value of the amount received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received. Government grants are being received under the Coronavirus Job Retention Scheme designed to compensate for staff costs. Amounts received or receivable are recognised in the statement of comprehensive income over the same period as the costs to which they relate.

FERRONERS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The directors believe there to be no critical judgements or key sources of uncertainty in preparing these financial statements.

3 Turnover and other revenue

	2021 £	2020 £
Turnover		
Sale of stock	23	15,759
Hire fees	13,836	250,529
Catering	8,281	613,901
	<u>22,140</u>	<u>880,189</u>
Other operating income		
Rent receivable	109,988	191,741
Grants	<u>110,268</u>	<u>-</u>

Grants have been received under the Coronavirus Job Retention Scheme as a government grant.

The total turnover of the company for the year has been derived from its principal activities wholly undertaken in the United Kingdom.

4 Operating loss

	2021 £	2020 £
Operating loss for the year is stated after charging:		
Depreciation of owned tangible fixed assets	52,839	53,269
Operating lease charges	<u>164,000</u>	<u>164,000</u>

FERRONERS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

5 Auditor's remuneration

	2021	2020
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	17,595	11,600
Audit of the financial statements of the company's subsidiaries	3,800	3,800
	<u>21,395</u>	<u>15,400</u>
For other services		
Taxation compliance services	8,250	9,200
All other non-audit services	5,700	5,700
	<u>13,950</u>	<u>14,900</u>

6 Employees

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

	2021	2020
	Number	Number
Administration	<u>23</u>	<u>23</u>

Their aggregate remuneration comprised:

	2021	2020
	£	£
Wages and salaries	429,752	448,649
Social security costs	34,888	38,441
Pension costs	50,459	56,053
	<u>515,099</u>	<u>543,143</u>

7 Director's remuneration

	2021	2020
	£	£
Remuneration for qualifying services	94,959	93,006
Company pension contributions to defined contribution schemes	7,137	7,324
	<u>102,096</u>	<u>100,330</u>

FERRONERS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

8 Interest payable and similar expenses

	2021	2020
	£	£
Interest on financial liabilities measured at amortised cost:		
Loan note interest payable	509,500	509,500
	<u>509,500</u>	<u>509,500</u>

FERRONERS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

9 Taxation

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

	2021 £	2020 £
Profit/(loss) before taxation	1,507,117	(892,080)
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	286,352	(169,495)
Tax effect of expenses that are not deductible in determining taxable profit	24	159,967
Tax effect of income not taxable in determining taxable profit	(336,068)	(45,852)
Effect of change in deferred tax rate	-	(7,761)
Group relief	81,031	91,916
Dividend income	(61,639)	(62,262)
Deferred tax not recognised	30,300	36,959
Other tax adjustments	-	(3,472)
Taxation charge for the year	-	-

10 Tangible fixed assets

	Fixtures, fittings & equipment £
Cost	
At 1 April 2020	1,107,324
Additions	16,641
At 31 March 2021	1,123,965
Depreciation and impairment	
At 1 April 2020	889,573
Depreciation charged in the year	52,839
At 31 March 2021	942,412
Carrying amount	
At 31 March 2021	181,553
At 31 March 2020	217,751

FERRONERS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

11 Fixed asset investments

	Notes	2021 £	2020 £
Investments in subsidiaries	12	202	202
Wine held for investment purposes	12	292,784	275,070
Listed investments		8,911,568	7,350,211
Cash at investment managers		53,874	276,332
		<u>9,258,428</u>	<u>7,901,815</u>

Movements in fixed asset investments

	Shares in participating interests £	Wine held for investment purposes £	Listed investments £	Cash deposits at investment managers £	Total £
Cost or valuation					
At 1 April 2020	202	275,070	7,350,210	276,333	7,901,815
Additions	-	-	1,252,290	1,229,959	2,482,249
Valuation changes	-	17,714	1,573,116	-	1,590,830
Disposals	-	-	(1,264,048)	(1,452,418)	(2,716,466)
At 31 March 2021	<u>202</u>	<u>292,784</u>	<u>8,911,568</u>	<u>53,874</u>	<u>9,258,428</u>
Carrying amount					
At 31 March 2021	<u>202</u>	<u>292,784</u>	<u>8,911,568</u>	<u>53,874</u>	<u>9,258,428</u>
At 31 March 2020	<u>202</u>	<u>275,070</u>	<u>7,350,210</u>	<u>276,333</u>	<u>7,901,815</u>

12 Subsidiaries

Details of the company's subsidiaries at 31 March 2021 are as follows:

Name of undertaking	Nature of business	Class of shares held	% Held Direct
Iron Rations Limited	Property Investment company	Ordinary	100.00
Ironmaster Limited	Property Investment company	Ordinary	100.00
Ironstone Management Limited	Property Investment company	Ordinary	100.00
Livery Accounting Services Limited	Accounting Services	Ordinary	100.00

Registered Office addresses:

The registered office of all of the above undertakings is Ironmongers Hall Shaftesbury Place, Barbican, London, United Kingdom, EC2Y 8AA

FERRONERS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

12 Subsidiaries

(Continued)

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of undertaking	Profit/(Loss) £	Capital and Reserves £
Iron Rations Limited	316,694	631,002
Ironmaster Limited	(10,545)	(90,284)
Ironstone Management Limited	85,623	1,339,215
Livery Accounting Services Limited	12,570	41,411

13 Financial instruments

	2021 £	2020 £
Carrying amount of financial assets		
Instruments measured at fair value through profit or loss	8,911,568	7,625,281

14 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	89,565	49,226
Amounts due from subsidiary undertaking	6,739,086	6,451,109
Other debtors	27,168	56,411
Prepayments and accrued income	397,782	354,552
	<u>7,253,601</u>	<u>6,911,298</u>
Amounts falling due after one year:		
Amounts due from Ironmongers Charities	<u>10,500,000</u>	<u>10,500,000</u>
Total debtors	<u>17,753,601</u>	<u>17,411,298</u>

The amounts due from the Ironmongers Charities comprise Tranche A loans totalling £3,500,000 and Tranche B loans totalling £7,000,000, both arising under the terms of the £10,500,000 Facility Agreement dated 5 April 2017. The Tranche A loans have a termination date of 5 April 2032 and carry fixed rate interest at 3.23% per annum. The Tranche B loans have a termination date of 5 April 2042 and carry fixed rate interest of 3.48% per annum.

15 Stocks

	2021 £	2020 £
Wine for resale	<u>2,023</u>	<u>2,036</u>

FERRONERS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

16 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	24,864	50,283
Amounts due to group undertakings	3,440,057	3,241,279
Other taxation and social security	18,674	30,761
Other creditors	93,007	95,689
Accruals and deferred income	424,260	373,457
	<u>4,000,862</u>	<u>3,791,469</u>

The intercompany balances of £3,440,057 (2020: £3,241,279) included within amounts due to group undertakings, are repayable on demand and have therefore been included as current liabilities.

17 Creditors: amounts falling due after more than one year

	Notes	2021 £	2020 £
Loan notes	18	<u>15,000,000</u>	<u>15,000,000</u>
Amounts included above which fall due after five years are as follows:			
Payable other than by instalments		<u>15,000,000</u>	<u>15,000,000</u>

18 Loans and overdrafts

	2021 £	2020 £
Loan notes	<u>15,000,000</u>	<u>15,000,000</u>
Payable after one year	<u>15,000,000</u>	<u>15,000,000</u>

The £15m comprises of two loans consisting of Loan Notes Series A of £5m (due 5 April 2032) and Loan Notes Series B of £10m (due 5 April 2042). The Loan notes were issued in April 2017 to Canada Life. Series A Loan Notes have a fixed interest rate of 3.23%. Series B Loan Notes have a fixed interest rate of 3.48%. Interest on both loan notes is payable biannually.

The loans are secured by a fixed and floating charge over all the undertakings, property assets and rights of the issuer.

FERRONERS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

19 Retirement benefit schemes

	2021	2020
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	50,459	56,053

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

20 Share capital

	2021	2020
Ordinary share capital	£	£
Issued and fully paid		
50,000 Ordinary shares of £1 each	50,000	50,000

FERRONERS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

21 Related party transactions

Group companies and Ironmongers Charities

At the year end, The Worshipful Company of Ironmongers was owed £3,390,057 (2020: £3,241,279) by Ferroners plc. Rent paid during the year to The Worshipful Company of Ironmongers amounted to £164,000 (2020: £164,000).

At the year end Ferroners plc was owed £2,327,544 (2020: £2,175,544) by Ironstone Management Limited. During the year Ironstone Management Ltd paid a dividend of £187,279 (2020: £168,373) to Ferroners plc. Interest due from Ironstone Management Limited in the year was £79,032 (2020: £79,248).

At the year end the Ferroners plc was owed £1,409,099 (2020: £1,352,099) by Iron Rations Limited. During the year, Iron Rations Limited paid a dividend of £53,951 (2020: £74,478) to Ferroners plc. Interest receivable from Iron Rations at the year end was £47,906 (2020: £48,037).

At the year end Ferroners plc was owed £3,002,442 (2020: £2,923,442) by Ironmaster Limited. During the year, Ironmaster paid a dividend of £83,186 (2020: £84,843) to Ferroners plc. Interest due from Ironmaster Limited at the year end was £101,743 (2020: £102,022).

At the year end Ferroners plc owed £50,000 (2020: Ferroner plc was owed £23) to the Livery Accounting Services Limited.

At the year end Ferroners plc was owed £10,500,000 (2020: £10,500,000) by Sir Robert Geffery's Almshouse Trust and its linked charities. The Ironmongers' Trust Company is the sole trustee. The Worshipful Company of Ironmongers is the sole member of The Ironmongers' Trust Company. Interest receivable from Sir Robert Geffery's Almshouse Trust in the year end was £356,650 (2020: £356,650).

22 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021	2020
	£	£
Within one year	164,000	164,000
Between two and five years	656,000	656,000
In over five years	492,000	492,000
	<u>1,312,000</u>	<u>1,312,000</u>

23 Ultimate controlling party

The parent entity, and controlling party, is The Worshipful Company of Ironmongers incorporated by Royal Charter, which is resident in England.

24 Company information

Ferroners plc is a public limited company domiciled and incorporated in England and Wales. The registered office is Ironmongers' Hall, Shaftesbury Place, London, EC2Y 8AA.

FERRONERS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

25 Cash generated from operations

	2021 £	2020 £
Profit/(loss) for the year after tax	1,507,117	(892,080)
Adjustments for:		
Finance costs	280,189	280,193
Investment income	(905,333)	(940,343)
Investment equalisation adjustment	-	5,190
Fair value gains and losses on investments	(1,559,914)	841,338
Depreciation and impairment of tangible fixed assets	52,839	53,269
Movements in working capital:		
Decrease in stocks	13	9,395
(Increase)/decrease in debtors	(312,789)	130,530
Increase/(decrease) in creditors	209,393	(159,964)
Cash absorbed by operations	(728,485)	(681,472)

26 Analysis of changes in net debt

	1 April 2020 £	Cash flows 31 March 2021 £	£
Cash at bank and in hand	938,389	53,805	992,194
Borrowings excluding overdrafts	(15,000,000)	-	(15,000,000)
	(14,061,611)	53,805	(14,007,806)