

Registered number: 2597969

**ARUN ESTATE AGENCIES LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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# ARUN ESTATE AGENCIES LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	P A Rooney C A Coxon J M Dalrymple A A Sotgiu J Bunning
<b>Company secretary</b>	J P Nunweek
<b>Registered number</b>	2597969
<b>Registered office</b>	St Leonard's House North Street Horsham West Sussex RH12 1RJ
<b>Independent auditors</b>	Warrener Stewart Chartered Accountants & Statutory Auditors Harwood House 43 Harwood Road London SW6 4QP

# ARUN ESTATE AGENCIES LIMITED

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# ARUN ESTATE AGENCIES LIMITED

## GROUP STRATEGIC REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2021

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### Introduction

The directors present their Group Strategic Report for the year ended 30 September 2021.

### Principal activities

The principal activities of the Group during the year were the arrangement of the sale of properties, the letting and management of properties, and the provision of related financial services.

### Objectives and Strategy

The objective of the Group is to continue to produce profitable results, positive cashflows and a strong financial position, from the principal activities set out above. This is achieved through the maximisation of income, combined with efficient operational cost controls. This strategy when aligned with the Group's diverse business model, continues to increase the long term value of the Group for the benefit of the shareholder and to create a secure workplace for its employees. This objective can only be attained by the Group meeting its overriding objective of continuing to deliver a premium service to our customers.

### Business Review

In a year that marked the 30th Anniversary of Arun Estate Agencies Limited, the Group has produced an impressive, record profit before taxation of £25,378,000 (2020: £9,384,000), of which £16,036,000 was previously reported as the profit for the half year to 31 March 2021. Given the circumstances of the year with the continued uncertainty caused by the effects of the Covid-19 pandemic the directors are of the opinion that the Group has produced a remarkable result.

The result reflects a positive housing market arising from continued increased customer confidence and customer desire to benefit from the temporary reduced Stamp Duty Land Tax (SDLT) rates which although initially due to end in March 2021 were extended in full until June 2021 and partially until the end of the financial year. These market conditions helped the Group to increase its turnover by 49.3% to £78,457,000 from the £52,547,000 achieved in the difficult market conditions of 2020.

The Group was well positioned to be able to take advantage of these positive market conditions throughout the whole of the financial year due to it being able to build on the measures undertaken in the previous financial year.

These include the retention of staff through utilisation of the support provided by government grants through the Coronavirus Job Retention Scheme (CJRS) such that they were able to return to the branch network once Government Guidelines allowed.

The progressive and enterprising leadership displayed by its highly experienced management team together with the flexibility and professionalism of the Group's workforce enabled the Group's staff to work effectively and seamlessly whether their duties were being carried out from home or from when they returned to the branch network. Such dedication ensured that our customers continued to receive an uninterrupted premium service.

As a result of these initiatives the directors are pleased to report that the Group has been able to increase its Estate Agency market share whilst maintaining commission rates at levels above the market average and in line with those achieved in previous years. The directors continue to see this as a strong indication that that our customers entrust the Group and particularly the quality and experience of its staff, to deliver results and continue to provide them with a premium service which maximises the sales value of their properties.

Additionally, the Group was able to utilise its financial strength, resulting from both the protective measures introduced last year together with the results achieved in the current year, to invest in its staff, infrastructure and to reintroduce the significant charitable donations that the Group is proud to have made.

# ARUN ESTATE AGENCIES LIMITED

## GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

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The Group, pleased to have been awarded the Investors in People Gold Award, continues to invest in the training and development of its staff. In respect of the remuneration of our employees we have celebrated the 30th anniversary of the Group by rewarding all staff with a one-off payment, based on their length of service, which amounted to a £900,000 payment. Salary packages of staff were maintained throughout the year which resulted in staff benefiting from the record results achieved by the Group - as disclosed in note 5 of the Financial Statements. The above investment in staff resulted in the annual staff engagement survey indicating that an overwhelming majority of the Group's staff are happy and proud to work for the Arun Group.

Within the infrastructure of the Group, it has made significant continuing investment in its IT hardware and software and continues to further develop its residential sales software and the new digital phone system. Additionally, there is ongoing work to deliver new residential branded websites in the new year. The Group is also undertaking significant continuing investment in the branch network refurbishment and refit programme that plans to have refreshed every branch within the next couple of years. Additionally, the Group has continued to invest in advertising and marketing initiatives to reinforce and underpin our position and reputation as a premium brand estate agent within the overall estate agency market.

The Group made a significant payment of £2,000,000 to The Rooney Family Foundation charity which has the aims of donating to charities throughout the UK, but particularly in the geographical area in which the Group operates, that particularly cater for the needs of sick and vulnerable children. This donation increased the level of company charitable donations in the year to £2,120,000, and following a donation made subsequent to the year end, took the total amount of charitable donations made by the Group to over £15,000,000.

The Group remains financially strong. As at the year end the Group has net current assets of more than £74,000,000, including cash of £31,131,000 and has no debt. The net assets at the balance sheet date are in excess of £82,400,000.

The Group's directors continue to utilise this financial strength to ensure that its business continues to evolve, innovate, and move forward in the housing market.

### Future prospects

The Group has continued to trade profitably since the year-end. The results for the first half of the year to March 2022 showing a profit before taxation of £4,903,000 (2021: £16,036,000) reflect the present positive start to the year in the housing market resulting from continued customer confidence.

The Group continues to assess forecasts of income subsequent to the above date. These forecasts account for the fact that the availability of housing stock is a challenge, as is the current cost of living crisis, increasing interest rates and cost inflation, together with the effect of the ongoing continuing Covid-19 pandemic variations.

Based on these forecasts the directors are of the firm opinion that the Group will produce a satisfactory result for the year to 30 September 2022. This opinion, having regard to the events noted above, is based on our continued diversification with the ongoing success of our financial services and lettings businesses combined with a strong established base for continuing our estate agency achievements, including conveyancing.

Although the Directors are conscious that the risks of a return to a difficult market remain, they are of the opinion that the Group has sufficient financial strength, as outlined above, to meet any further challenges or opportunities provided by any future changes in market conditions.

# ARUN ESTATE AGENCIES LIMITED

## GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

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### Principal risks and uncertainties

#### *Market risk*

The principal risk to the business is the health of the UK residential property market. Confidence in the market is affected by a number of factors, principally the performance and stability of the UK and world economies, which affect underlying interest rates.

Clearly the country's current economic position is experiencing a significant degree of uncertainty due to both the war in Ukraine and the continuing Covid-19 pandemic, which still has an impact on the UK housing market. As a result the Group has undertaken the responses to the Covid-19 situation as outlined in the previous year and above, from which it has produced the outcome outlined in the Business Review and Future Prospects above.

#### *Competitor challenge*

The Group operates in a highly competitive marketplace. New or existing competitors could develop new services or methods of working including online and hybrid agents which could give them a competitive advantage over the Group. Additionally, there are always new entrants to the market and a continual pressure on commission rates, particularly as a result of the availability of housing stock.

The Group continually assesses competitor activity. Furthermore, the Group regularly reviews its business model to decide whether strategic investments could be made to help develop our competitive advantage. The Group particularly develops new technology platforms and ways of working, to improve efficiency and the customer experience.

The Group believes the emotional and complex nature of estate agency transactions means that online agents will not have a major role in sales or lettings transactions without the involvement of an estate agent. Furthermore, any market share gained by online and hybrid agents is likely to be at the expense of traditional estate agents which compete on price and have lower levels of service, rather than the Group's premium service.

#### *IT systems and cyber risk*

The Group's business operations are dependent on sophisticated and bespoke IT systems which could fail or be deliberately targeted by cyber-attacks leading to interruption of service, corruption of data or theft of personal data. Such a failure or loss could also result in reputational damage, fines or other adverse consequences.

Our IT function, supported by external specialists, and the internal, bespoke systems that they have developed, maintains both preventative and detective processes and controls to mitigate the identified risks ensuring that they are robust, fit for purpose and continually developed to take advantage of new technologies.

#### *Recruitment and retention of staff*

There is a risk that the Group may not be able to recruit or retain quality staff to achieve its operational objectives or mitigate succession risk. This risk may occur in the event competition for talent increases or there are changes in our industry or markets that result in less attractive career opportunities. The long hours and weekend working in estate agency may result in people seeking more attractive working hours.

The Group maintains a structured approach to recruitment using internal specialist teams, enabling it to continually recruit high-quality people. The Group continues to invest in training, development and succession planning so that future leaders can be identified and nurtured. Additionally, our track record of promoting from within generates significant staff loyalty within senior and mid-management employees. We employ colleague surveys, workforce engagement forums and welfare initiatives as ways to identify and address pressures.

# ARUN ESTATE AGENCIES LIMITED

## GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

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### Financial key performance indicators

Management monitors the performance of the business by reference to internal forecasts, cashflows and industry statistics. These indicators are considered sufficient to provide an overview of business performance relative to expectations and market trends.

### Directors' statement of compliance with duty to promote the success of the Group

The directors of Arun Estate Agencies Limited consider that they have fulfilled their individual and collective duty under section 172(1) of the Companies Act 2006 to act in the way they consider, in good faith, would be most likely to promote the success of the Company and the Group for the benefit of shareholders as a whole. This has been achieved through strong systemic controls; investment in our staff through training and incentives; and a focus on high standards of customer service. The sole share class has representation at Board level and the Board is committed to a strategy that will drive long term value for the equity holder in the business.

This report was approved by the board and signed on its behalf.



**C A Coxon**  
Director

Date: 9th June 2022

# ARUN ESTATE AGENCIES LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2021

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The directors present their report and the financial statements for the year ended 30 September 2021.

### Directors

The directors who served during the year were:

P A Rooney  
C A Coxon  
J M Dalrymple  
A A Sotgiu  
J Bunning (appointed 1 July 2021)  
D J Lench (resigned 1 July 2021)

### Directors' responsibilities statement

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments 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 Group 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 the Group and to 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Results and dividends

The profit for the year, after taxation, amounted to £20,545,000 (2020 - £7,556,000).

Interim dividends of £2,800,000 were declared during the year and the remaining funds will be transferred to reserves.



# ARUN ESTATE AGENCIES LIMITED

## DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

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### Charitable donations

The Group made charitable donations to UK charities of £2,120,000 (2020: £59,000) during the year. The main beneficiaries were:

	2021 £000	2020 £000
The Kent Community Foundation	100	51
Haven House Foundation	2	2
Canterbury Rugby Charitable Foundation	12	-
The Rooney Family Foundation	2,000	-
Others	6	6
	<u>2,120</u>	<u>59</u>

The above payments take the total amount donated by the Group to local charities since 2003 to over £14,805,000. As mentioned in the Group Strategic Report, a donation subsequent to the year end took the total amount of charitable donations made by the Group to over £15,000,000. These funds are still being utilised and distributed to charitable causes today.

Unfortunately, due to the Covid-19 pandemic our staff were unable to undertake their usual number of phenomenal challenges to raise charitable funds to add to the £700,000 plus they have previously raised. Any donations received have been carried forward to the challenges postponed into late 2021 and early 2022.

### Land and buildings

In the opinion of the directors, the carrying value of freehold land and buildings at 30 September 2021 was not materially different to its open market value.

### Future developments

The Group has continued to trade profitably since the year end. The directors are confident that the Group has the structure in place to deal with the current market and any future changes in market conditions.

The directors are of the firm opinion that the Group will produce a very satisfactory result in the year to 30 September 2022.

### Post balance sheet events

The Group's response to the continued effect of the ongoing Covid-19 pandemic and the cost of living price increases are detailed in note 27 and within the Strategic Report on pages 1 to 4.

# ARUN ESTATE AGENCIES LIMITED

## DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

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### Engagement with employees

Efforts are made to consult and inform employees on matters which concern them with emphasis particularly in the last two years on their health and safety and also on the continuing growth and development of the company. This communication being achieved principally through the internal intranet system and through the regional and branch management structure.

The Group continues to value the feedback it receives from staff in the annual Employee Engagement Survey that it has undertaken for each of the last thirteen years.

It is the Group's policy to support the employment of disabled persons wherever possible, both in recruitment and by the retention of employees who have become disabled whilst in the employment of the Group.

### Greenhouse gas emissions, energy consumption and energy efficiency action

The Group's greenhouse gas emissions and energy consumption are as follows:

	2021	2020
Emissions resulting from activities for which the Group is responsible involving the combustion of gas or consumption of fuel for the purposes of transport (in tonnes of CO2 equivalent)	183	209
Emissions resulting from the purchase of the electricity by the Group for its own use, including the purposes of transport (in tonnes of CO2 equivalent)	584	533

The Group's greenhouse gas emissions is based on the period 1 October 2019 to 30 September 2021.

The methodologies used for our transport emissions having been calculated using the Group's company vehicles' mileage records and mileage reclaims on employee's personal vehicles. The average CO2 per km on company vehicles has been used to calculate the CO2 per km on personal vehicles.

The methodologies used to calculate electricity consumption has been taken from our supplier who provided a breakdown of energy consumption in tonnes of CO2 equivalent.

The Group is committed to reducing its environmental impact and contribution to climate change. As a Group our greenhouse gas emissions are minimal.

We have targeted to reduce our emissions per employee by focusing on efficiencies. In particular, we are increasing the efficiency of our motor vehicle fleet and providing recycling facilities at all our locations.

As a Group, the overall tonnes of CO2 per employee is 0.87 (2020: 0.83) based on the average monthly employees of 882 (2020: 898). The tonnes of CO2 per £million of turnover is 9.8 (2020: 14.1) based on turnover of £78,457,000 (2020: £52,547,000).

# ARUN ESTATE AGENCIES LIMITED

## DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

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### Disclosure of information to auditors

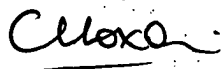
Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

### Auditors

The auditors, Warrener Stewart, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



C A Coxon  
Director

Date: 9<sup>th</sup> June 2022

# ARUN ESTATE AGENCIES LIMITED

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ARUN ESTATE AGENCIES LIMITED

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### Opinion

We have audited the financial statements of Arun Estate Agencies Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 30 September 2021, which comprise the Group Statement of Comprehensive Income, the Group and Company Balance Sheets, the Group Statement of Cash Flows, the Group and Company Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 30 September 2021 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

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

### Conclusions relating to going concern

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

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

### Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

# ARUN ESTATE AGENCIES LIMITED

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ARUN ESTATE AGENCIES LIMITED (CONTINUED)

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We have nothing to report in this regard.

### **Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the Group 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 Group Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Directors' Report.

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

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement on page 5, 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 Group's and the parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the parent 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 Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

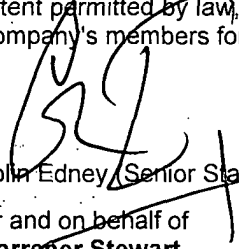
# ARUN ESTATE AGENCIES LIMITED

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ARUN ESTATE AGENCIES LIMITED (CONTINUED)

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### Use of our report

This report is made solely to the Company's members in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members for our audit work, for this report, or for the opinions we have formed.

  
Colin Edney (Senior Statutory Auditor)

for and on behalf of  
**Warrenner Stewart**

Chartered Accountants  
Statutory Auditors

Harwood House  
43 Harwood Road  
London  
SW6 4QP

Date: 25/06/2022

## ARUN ESTATE AGENCIES LIMITED

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Note	2021 £000	2020 £000
Turnover	4	78,457	52,547
Other external charges		(14,223)	(11,688)
Staff costs	5	(39,925)	(32,358)
Depreciation and amortisation		(903)	(1,070)
<b>Operating profit</b>	7	<b>23,406</b>	<b>7,431</b>
Interest receivable and similar income	9	1,973	1,972
Interest payable and similar expenses	10	(1)	(19)
<b>Profit before tax</b>		<b>25,378</b>	<b>9,384</b>
Tax on profit	11	(4,833)	(1,828)
<b>Profit for the financial year</b>		<b>20,545</b>	<b>7,556</b>
<b>Profit for the year attributable to:</b>			
Owners of the parent Company		20,545	7,556
		<b>20,545</b>	<b>7,556</b>

There were no recognised gains and losses for 2021 or 2020 other than those included in the consolidated statement of comprehensive income.

There was no other comprehensive income for 2021 (2020: £NIL).

The notes on pages 21 to 42 form part of these financial statements.

**ARUN ESTATE AGENCIES LIMITED**  
**REGISTERED NUMBER:2597969**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 30 SEPTEMBER 2021**

	Note	2021 £000	2021 £000	2020 £000	2020 £000
<b>Fixed assets</b>					
Intangible assets	13		148		207
Tangible assets	14		7,825		7,624
Investments	15		570		525
			<u>8,543</u>		<u>8,356</u>
<b>Current assets</b>					
Debtors: amounts falling due after more than one year	16	46,746		47,106	
Debtors: amounts falling due within one year	16	7,750		4,950	
Cash at bank and in hand	17	31,131		16,928	
		<u>85,627</u>		<u>68,984</u>	
Creditors: amounts falling due within one year	18	(11,386)		(12,169)	
<b>Net current assets</b>			<u>74,241</u>		<u>56,815</u>
<b>Total assets less current liabilities</b>			<u>82,784</u>		<u>65,171</u>
Creditors: amounts falling due after more than one year	19		(181)		(362)
<b>Provisions for liabilities</b>					
Deferred taxation	22	(127)		(26)	
Other provisions	23	(34)		(86)	
			<u>(161)</u>		<u>(112)</u>
<b>Net assets</b>			<u><u>82,442</u></u>		<u><u>64,697</u></u>



# ARUN ESTATE AGENCIES LIMITED

REGISTERED NUMBER:2597969

## CONSOLIDATED BALANCE SHEET (CONTINUED) AS AT 30 SEPTEMBER 2021

	Note	2021 £000	2020 £000
<b>Capital and reserves</b>			
Called up share capital	24	1	1
Capital redemption reserve	25	8	8
Revaluation reserve	25	1,674	1,674
Other reserves	25	324	324
Profit and loss account	25	80,435	62,690
<b>Equity attributable to owners of the parent Company</b>		<b>82,442</b>	<b>64,697</b>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

  
P A Rooney  
Director

  
C A Coxon  
Director

Date: 9<sup>th</sup> June 2022

The notes on pages 21 to 42 form part of these financial statements.

**ARUN ESTATE AGENCIES LIMITED**  
**REGISTERED NUMBER:2597969**

**COMPANY BALANCE SHEET**  
**AS AT 30 SEPTEMBER 2021**

	Note	2021 £000	2021 £000	2020 £000	2020 £000
<b>Fixed assets</b>					
Intangible assets	13		148		207
Tangible assets	14		2,879		2,590
Investments	15		1,070		1,025
			<u>4,097</u>		<u>3,822</u>
<b>Current assets</b>					
Debtors due after more than one year	16	46,746		47,106	
Debtors due within one year	16	10,301		7,833	
Cash at bank and in hand	17	31,070		16,872	
		<u>88,117</u>		<u>71,811</u>	
Creditors: amounts falling due within one year	18	(12,128)		(12,692)	
<b>Net current assets</b>			<u>75,989</u>		<u>59,119</u>
<b>Total assets less current liabilities</b>			<u>80,086</u>		<u>62,941</u>
Creditors: amounts falling due after more than one year	19		(181)		(362)
<b>Provisions for liabilities</b>					
Deferred taxation	22	(217)		(81)	
Other provisions	23	(34)		(86)	
			<u>(251)</u>		<u>(167)</u>
<b>Net assets</b>			<u><u>79,654</u></u>		<u><u>62,412</u></u>

**ARUN ESTATE AGENCIES LIMITED**  
REGISTERED NUMBER:2597969

**COMPANY BALANCE SHEET (CONTINUED)**  
**AS AT 30 SEPTEMBER 2021**

	Note	30 September 2021 £000	30 September 2020 £000
<b>Capital and reserves</b>			
Called up share capital	24	1	1
Capital redemption reserve	25	8	8
Revaluation reserve	25	687	687
Profit and loss account carried forward	25	78,958	61,716
		<u>79,654</u>	<u>62,412</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

  
P A Rooney  
Director

  
C A Coxon  
Director

Date: 9th June 2022

The notes on pages 21 to 42 form part of these financial statements.

## ARUN ESTATE AGENCIES LIMITED

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Called up share capital £000	Capital redemption reserve £000	Revaluation reserve £000	Other reserves £000	Profit and loss account £000	Total equity £000
<b>At 1 October 2019</b>	<b>1</b>	<b>8</b>	<b>1,674</b>	<b>324</b>	<b>57,134</b>	<b>59,141</b>
<b>Comprehensive income for the year</b>						
Profit for the year	-	-	-	-	7,556	7,556
<b>Contributions by and distributions to owners</b>						
Dividends: Equity capital	-	-	-	-	(2,000)	(2,000)
<b>At 1 October 2020</b>	<b>1</b>	<b>8</b>	<b>1,674</b>	<b>324</b>	<b>62,690</b>	<b>64,697</b>
<b>Comprehensive income for the year</b>						
Profit for the year	-	-	-	-	20,545	20,545
<b>Contributions by and distributions to owners</b>						
Dividends: Equity capital	-	-	-	-	(2,800)	(2,800)
<b>At 30 September 2021</b>	<b>1</b>	<b>8</b>	<b>1,674</b>	<b>324</b>	<b>80,435</b>	<b>82,442</b>

The notes on pages 21 to 42 form part of these financial statements.

# ARUN ESTATE AGENCIES LIMITED

## COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Called up share capital £000	Capital redemption reserve £000	Revaluation reserve £000	Profit and loss account £000	Total equity £000
<b>At 1 October 2019</b>	<b>1</b>	<b>8</b>	<b>687</b>	<b>56,325</b>	<b>57,021</b>
<b>Comprehensive income for the year</b>					
Profit for the year	-	-	-	7,391	7,391
<b>Contributions by and distributions to owners</b>					
Dividends: Equity capital	-	-	-	(2,000)	(2,000)
<b>At 1 October 2020</b>	<b>1</b>	<b>8</b>	<b>687</b>	<b>61,716</b>	<b>62,412</b>
<b>Comprehensive income for the year</b>					
Profit for the year	-	-	-	20,042	20,042
<b>Contributions by and distributions to owners</b>					
Dividends: Equity capital	-	-	-	(2,800)	(2,800)
<b>At 30 September 2021</b>	<b>1</b>	<b>8</b>	<b>687</b>	<b>78,958</b>	<b>79,654</b>

The notes on pages 21 to 42 form part of these financial statements.

# ARUN ESTATE AGENCIES LIMITED

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 SEPTEMBER 2021

	2021 £000	2020 £000
<b>Cash flows from operating activities</b>		
Profit for the financial year	20,545	7,556
<b>Adjustments for:</b>		
Depreciation of tangible assets	799	937
Amortisation of intangible assets	104	133
Impairments of fixed asset investments	(45)	-
Profit on disposal of tangible assets	(93)	(40)
Government grants	(215)	(3,051)
Interest paid	1	19
Interest received	(1,973)	(1,972)
Taxation charge	4,833	1,828
(Increase)/decrease in debtors	(2,690)	665
Decrease/(increase) in amounts owed by associates	360	(1,922)
Increase in creditors	349	4,215
(Decrease)/increase in provisions	(52)	37
Corporation tax (paid)	(6,155)	(1,026)
<b>Net cash generated from operating activities</b>	<b>15,768</b>	<b>7,379</b>
<b>Cash flows from investing activities</b>		
Purchase of intangible fixed assets	(45)	(58)
Purchase of tangible fixed assets	(1,184)	(1,042)
Sale of tangible fixed assets	277	149
Government grants	215	3,051
Interest received	1,973	1,972
<b>Net cash from investing activities</b>	<b>1,236</b>	<b>4,072</b>

# ARUN ESTATE AGENCIES LIMITED

## CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

	2021 £000	2020 £000
<b>Cash flows from financing activities</b>		
Dividends paid	(2,800)	(2,000)
Interest paid	(1)	(19)
<b>Net cash used in financing activities</b>	<b>(2,801)</b>	<b>(2,019)</b>
<b>Net increase in cash and cash equivalents</b>	<b>14,203</b>	<b>9,432</b>
Cash and cash equivalents at beginning of year	16,928	7,496
<b>Cash and cash equivalents at the end of year</b>	<b>31,131</b>	<b>16,928</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	31,131	16,928
	<b>31,131</b>	<b>16,928</b>

# ARUN ESTATE AGENCIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

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### 1. General information

Arun Estate Agencies Limited is a limited liability company incorporated in England. The Registered Office is St Leonard's House, North Street, Horsham, West Sussex, RH12 1RJ.

The principal activities of the company are disclosed in the Group Strategic Report.

### 2. Accounting policies

#### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of freehold land and buildings and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland, and the Companies Act 2006.

The financial statements are prepared in £ Sterling, which is the functional currency of the Company and of the Group. The financial statements are reported in and rounded to £000's.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

#### 2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group"), as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

#### 2.3 Going concern

The Group's business activities and factors that are likely to affect its future development and financial performance are set out in the Group Strategic Review.

The directors have assessed the viability of the Company and the Group with respect to the Covid 19 pandemic, the cost of living crisis and current resources and future prospects. In particular the Board has considered a number of future scenarios including the impact of a severe downturn in the UK housing market caused by various factors such as a fall in UK economic growth and other potential domestic and geopolitical uncertainties.

The Board's assessments indicate that the Group would be able to withstand the financial impact of the above and, as a result, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.



# ARUN ESTATE AGENCIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

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### 2. Accounting policies (continued)

#### 2.4 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

##### Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

Revenue is stated exclusive of Value Added Tax.

- Turnover from estate agency represents commissions earned in respect of all transactions exchanged during the year.
- Turnover from the letting and management of properties represents management fees charged during the year.
- Commissions received on life assurance products represents commissions earned, net of amounts refunded on cancellation of agreements or policies lapsed during the year. Provision is made for future refunds or lapses at the end of each year.
- Commission received for procurement fees is recognised on exchange of contract.
- Turnover from the sale of other financial services products is recognised on a received basis.

#### 2.5 Intangible assets

Rebranding represents the fair value of the Arun trading names rebrand identified and recognised at the point of expenditure during the year. Rebranding is amortised through the Statement of Comprehensive Income in equal instalments over four years.

#### 2.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

# ARUN ESTATE AGENCIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

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### 2. Accounting policies (continued)

#### 2.6 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Short Term Leasehold Property	- Amortised over the life of the lease
Motor Vehicles	- 25% on cost
Fixtures and Fittings	- 20% to 33.33% on cost

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

Short leasehold properties are amortised over the shorter of the remaining life of the lease, or useful economic life of the leasehold property.

Given the lives of the group's freehold properties are so long and that they are maintained to such a high standard, it is the opinion of the directors, supported by property valuations undertaken, that the residual values are sufficiently high so as to make any depreciation charge immaterial.

#### 2.7 Revaluation of tangible fixed assets

Individual freehold properties are carried at market value at the date of the revaluation less any subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the Balance Sheet date.

Fair values are determined from market based evidence undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in the Consolidated Statement of Comprehensive Income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in the result for the financial year.

#### 2.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in listed company shares are remeasured to market value at each Balance Sheet date. Gains and losses on remeasurement are recognised in the Consolidated Statement of Comprehensive Income.

# ARUN ESTATE AGENCIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

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### 2. Accounting policies (continued)

#### 2.9 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

#### 2.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

#### 2.11 Financial instruments

The Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an outright short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the Balance Sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an 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.

# ARUN ESTATE AGENCIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

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### 2. Accounting policies (continued)

#### 2.12 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

#### 2.13 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

#### 2.14 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

#### 2.15 Operating leases: the Group as lessor

Rentals income from operating leases is credited to profit or loss on a straight line basis over the term of the relevant lease.

#### 2.16 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

#### 2.17 Pensions

The Group operates defined contribution 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 in the Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plans are held separately from the Group in independently administered funds.

#### 2.18 Interest income

Interest income is recognised in profit or loss using the effective interest method.

# ARUN ESTATE AGENCIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

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### 2. Accounting policies (continued)

#### 2.19 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

#### 2.20 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

# ARUN ESTATE AGENCIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

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### 3. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances.

Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year or in the year of revision and future years if the revision affects both current and future years.

Management considers the key estimates and judgements made in the financial statements to be related to:

#### Valuation of freehold properties

Freehold properties are valued periodically on behalf of the Group. Each valuation will depend on a number of factors such as the location of the property, the local market for commercial sales and general prevailing market conditions.

The judgement is mitigated by reference to the services of third party qualified surveyors who are experienced in valuing commercial property portfolios.

#### Depreciation

The Group maintains a wide asset base including equipment and vehicles for use in the business. It is a matter of management judgement as to the rate at which any given class of asset will depreciate, as is the residual value of such class of asset.

The appropriateness of the depreciation charge and the estimate as to residual values will depend on a number of factors such as the way an asset is used, the condition of each individual asset and whether there is a re-sale market for each asset class.

The judgement is mitigated by the Group employing the services of a professional vehicle management company.

#### Provisions

Provisions are made for future lapses in relation to commissions earned on an indemnity basis on life assurance policies and similar products.

Provisions are calculated by reference to the level of commission paid and the historic and expected future rate of cancellations.

The adequacy of such provisions is reviewed annually in the light of actual policy lapses in each financial period.

# ARUN ESTATE AGENCIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

### 4. Turnover

An analysis of turnover by class of business is as follows:

	2021 £000	2020 £000
Estate agency and related services	78,349	52,442
Other income	108	105
	<u>78,457</u>	<u>52,547</u>

All turnover arose within the United Kingdom.

### 5. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 2021 £000	Group 2020 £000
Wages and salaries	34,405	27,840
Social security costs	4,048	3,116
Cost of defined contribution scheme	1,472	1,402
	<u>39,925</u>	<u>32,358</u>

Included within staff costs is a one off Chairman bonus of £900,000 in recognition of Arun Estates 30th Anniversary and paid to all employees based on length of service.

Staff costs in 2021 are stated after crediting £215,000 (2020: £2,360,000) of government grants received under the Coronavirus Job Retention Scheme (CJRS). Further details are provided in note 20.

The average monthly number of employees, including the directors, during the year was as follows:

	2021 No.	2020 No.
Operations including branch management	829	848
Administration and management	53	50
	<u>882</u>	<u>898</u>

# ARUN ESTATE AGENCIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

### 6. Directors' remuneration

	2021 £000	2020 £000
Directors' emoluments	1,810	1,709
Company contributions to defined contribution pension schemes	28	28
	<u>1,838</u>	<u>1,737</u>

During the year retirement benefits were accruing to 3 directors (2020 - 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £698,000 (2020 - £778,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £NIL (2020 - £NIL).

### 7. Operating profit

The operating profit is stated after charging/(crediting):

	2021 £000	2020 £000
Depreciation of tangible fixed assets	799	937
Amortisation of intangible fixed assets	104	133
(Profit) on sale of tangible fixed assets	(93)	(40)
(Reversal of impairment)/impairment of investments	(45)	-
Rental of land and buildings	2,307	2,420
Retail, Hospitality and Leisure Grant Fund	-	(705)
	<u>2,307</u>	<u>2,420</u>

### 8. Auditors' remuneration

	2021 £000	2020 £000
<b>Fees payable to the Group's auditor and its associates in respect of:</b>		
Audit-related assurance services	36	35
Taxation compliance and advisory services	17	16
	<u>53</u>	<u>51</u>



# ARUN ESTATE AGENCIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

### 9. Interest receivable

	2021 £000	2020 £000
Bank interest receivable	42	38
Other interest receivable	1,931	1,934
	<u>1,973</u>	<u>1,972</u>

### 10. Interest payable and similar expenses

	2021 £000	2020 £000
Bank interest payable	1	19
	<u>1</u>	<u>19</u>

### 11. Taxation

	2021 £000	2020 £000
<b>Corporation tax</b>		
Current tax on profits for the year	4,728	1,764
Adjustments in respect of previous periods	4	6
<b>Total current tax</b>	<u>4,732</u>	<u>1,770</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	101	58
<b>Taxation on profit on ordinary activities</b>	<u>4,833</u>	<u>1,828</u>

# ARUN ESTATE AGENCIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

### 11. Taxation (continued)

#### Factors affecting tax charge for the year

The tax assessed for the year is higher than (2020 - higher than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £000	2020 £000
Profit on ordinary activities before tax	25,378	9,384
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	4,822	1,783
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	(19)	(10)
Capital allowances for year (in excess of)/less than depreciation	(78)	(9)
Adjustments to tax charge in respect of prior periods	4	6
Current year over/(under) provision	3	-
Deferred taxation	101	58
<b>Total tax charge for the year</b>	<b>4,833</b>	<b>1,828</b>

### 12. Dividends

	2021 £000	2020 £000
Interim dividends paid	2,800	2,000

## ARUN ESTATE AGENCIES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

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#### 13. Intangible assets

##### Group and Company

	Rebranding £000
<b>Cost</b>	
At 1 October 2020	408
Additions	45
At 30 September 2021	<u>453</u>
<b>Amortisation</b>	
At 1 October 2020	201
Charge for the year on owned assets	104
At 30 September 2021	<u>305</u>
<b>Net book value</b>	
At 30 September 2021	<u><u>148</u></u>
At 30 September 2020	<u><u>207</u></u>

# ARUN ESTATE AGENCIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

### 14. Tangible fixed assets

#### Group

	Freehold property £000	Short term Leasehold Property £000	Motor vehicles £000	Fixtures and fittings £000	Total £000
<b>Cost or valuation</b>					
At 1 October 2020	5,053	1,183	3,618	3,876	13,730
Additions	-	72	463	649	1,184
Disposals	-	-	(823)	(100)	(923)
At 30 September 2021	5,053	1,255	3,258	4,425	13,991
<b>Depreciation</b>					
At 1 October 2020	-	929	2,064	3,113	6,106
Charge for the year on owned assets	-	72	367	360	799
Disposals	-	-	(639)	(100)	(739)
At 30 September 2021	-	1,001	1,792	3,373	6,166
<b>Net book value</b>					
At 30 September 2021	5,053	254	1,466	1,052	7,825
At 30 September 2020	5,053	254	1,554	763	7,624

The Group's property portfolio was professionally valued at 30 September 2019 by firms of Chartered Surveyors in each property location. The valuations showed that there was no material change since the previous valuation carried out in September 2016.

	2021 £000	2020 £000
<b>Freehold property included at valuation:</b>		
Cost	3,379	3,379
Cumulative valuations to market value at 30 September 2019	1,674	1,674
	<u>5,053</u>	<u>5,053</u>

# ARUN ESTATE AGENCIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

### 14. Tangible fixed assets (continued)

#### Company

	Freehold property £000	Short term Leasehold Property £000	Motor vehicles £000	Fixtures and fittings £000	Total £000
<b>Cost or valuation</b>					
At 1 October 2020	1,571	1,183	27	3,824	6,605
Additions	-	72	-	649	721
Disposals	-	-	-	(100)	(100)
At 30 September 2021	1,571	1,255	27	4,373	7,226
<b>Depreciation</b>					
At 1 October 2020	-	929	25	3,061	4,015
Charge for the year on owned assets	-	72	-	360	432
Disposals	-	-	-	(100)	(100)
At 30 September 2021	-	1,001	25	3,321	4,347
<b>Net book value</b>					
At 30 September 2021	1,571	254	2	1,052	2,879
At 30 September 2020	1,571	254	2	763	2,590

The Company's property portfolio was professionally valued at 30 September 2019 by firms of Chartered Surveyors in each property location. The valuations showed that there was no material change since the previous valuation carried out in September 2016.

	2021 £000	2020 £000
<b>Freehold property included at valuation:</b>		
Cost	884	884
Cumulative valuations to market value at 30 September 2019	687	687
	1,571	1,571

# ARUN ESTATE AGENCIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

### 15. Fixed asset investments

#### Group

	Listed investments £000
<b>Cost or valuation</b>	
At 1 October 2020	1,084
At 30 September 2021	1,084
<b>Impairment</b>	
At 1 October 2020	559
Reversal of impairment losses	(45)
At 30 September 2021	514
<b>Net book value</b>	
At 30 September 2021	570
At 30 September 2020	525

# ARUN ESTATE AGENCIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

### 15. Fixed asset investments (continued)

#### Company

	Investments in subsidiary companies £000	Listed investments £000	Total £000
<b>Cost or valuation</b>			
At 1 October 2020	500	1,084	1,584
At 30 September 2021	500	1,084	1,584
<b>Impairment</b>			
At 1 October 2020	-	559	559
Reversal of impairment losses	-	(45)	(45)
At 30 September 2021	-	514	514
<b>Net book value</b>			
At 30 September 2021	500	570	1,070
At 30 September 2020	500	525	1,025

#### Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Home In One Financial Services Limited	England & Wales	Ordinary	100%
Arun Leasing Company Limited	England & Wales	Ordinary	100%
Arun Property Investments Limited	England & Wales	Ordinary	100%
Arun Developments Limited	England & Wales	Ordinary	100%
Arun Surveying Limited	England & Wales	Ordinary	100%

# ARUN ESTATE AGENCIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

### 15. Fixed asset investments (continued)

#### Subsidiary undertakings (continued)

The aggregate of the share capital and reserves as at 30 September 2021 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £000	Profit/(loss) £000
Home In One Financial Services Limited	930	13
Arun Leasing Company Limited	588	287
Arun Property Investments Limited	1,763	203
Arun Surveying Limited	6	-
Arun Developments Limited	-	-

### 16. Debtors

	Group 2021 £000	Group 2020 £000	Company 2021 £000	Company 2020 £000
<b>Due after more than one year</b>				
Amounts owed by joint ventures and associated undertakings	46,746	47,106	46,746	47,106
<b>Due within one year</b>				
Trade debtors	6,285	4,390	6,272	4,347
Amounts owed by group undertakings	-	-	2,593	3,078
Corporation tax	110	-	236	-
Other debtors	96	235	85	86
Prepayments and accrued income	1,259	325	1,115	322
	7,750	4,950	10,301	7,833
<b>Total debtors</b>	54,496	52,056	57,047	54,939



# ARUN ESTATE AGENCIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

### 17. Cash and cash equivalents

	<b>Group 2021 £000</b>	<i>Group 2020 £000</i>	<b>Company 2021 £000</b>	<i>Company 2020 £000</i>
Cash at bank and in hand	<b>31,131</b>	16,928	<b>31,070</b>	16,872

### 18. Creditors: Amounts falling due within one year

	<b>Group 2021 £000</b>	<i>Group 2020 £000</i>	<b>Company 2021 £000</b>	<i>Company 2020 £000</i>
Trade creditors	<b>266</b>	334	<b>363</b>	383
Amounts owed to group undertakings	-	-	<b>796</b>	853
Corporation tax	-	1,313	-	1,182
Other taxation and social security	<b>3,962</b>	4,728	<b>3,933</b>	4,683
Other creditors	<b>2,201</b>	2,248	<b>2,129</b>	2,187
Accruals and deferred income	<b>4,957</b>	3,546	<b>4,907</b>	3,404
	<b>11,386</b>	12,169	<b>12,128</b>	12,692

### 19. Creditors: Amounts falling due after more than one year

	<b>Group 2021 £000</b>	<i>Group 2020 £000</i>	<b>Company 2021 £000</b>	<i>Company 2020 £000</i>
Accruals and deferred income	<b>181</b>	362	<b>181</b>	362

# ARUN ESTATE AGENCIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

### 20. Government grants

	2021 £000	2020 £000
At 1 October 2020	-	-
Received in the year	(215)	(3,065)
Released to profit & loss account	215	3,065
<b>At 30 September 2021</b>	<b>-</b>	<b>-</b>

Government grants have been received under the Coronavirus Job Retention Scheme (CJRS) and the Retail, Hospitality and Leisure Grant Fund (RHLGF). The grants are disclosed within staff costs in note 5 and within operating profit in note 7.

### 21. Financial instruments

	<b>Group 2021 £000</b>	<i>Group 2020 £000</i>	<b>Company 2021 £000</b>	<i>Company 2020 £000</i>
<b>Financial assets</b>				
Financial assets measured at fair value through profit or loss	<b>31,131</b>	16,928	<b>31,070</b>	16,872
Financial assets that are debt instruments measured at amortised cost	<b>53,127</b>	51,731	<b>55,696</b>	54,617
	<b>84,258</b>	68,659	<b>86,766</b>	71,489
<b>Financial liabilities</b>				
Financial liabilities measured at amortised cost	<b>11,567</b>	11,218	<b>12,309</b>	11,872

Financial assets measured at fair value through profit or loss comprise cash and cash equivalents.

Financial assets that are debt instruments measured at amortised cost comprise trade debtors, amounts due from Group undertakings and sundry amounts receivable.

Financial liabilities measured at amortised cost comprise trade creditors, amounts due to group undertakings, other taxes, accruals & deferred income and sundry amounts payable.

# ARUN ESTATE AGENCIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

### 22. Deferred taxation

#### Group

	2021 £000	2020 £000
<b>Deferred tax liability/(asset)</b>		
At 1 October 2020	26	(32)
Charged/(credited) to statement of comprehensive income	101	58
<b>At 30 September 2021</b>	<b>127</b>	<b>26</b>

#### Company

	2021 £000	2020 £000
<b>Deferred tax liability/(asset)</b>		
At 1 October 2020	81	(2)
Charged/(credited) to statement of comprehensive income	136	83
<b>At 30 September 2021</b>	<b>217</b>	<b>81</b>

The deferred tax liability/(asset) is made up as follows:

	<b>Group</b> <b>2021</b> <b>£000</b>	<i>Group</i> <i>2020</i> <i>£000</i>	<b>Company</b> <b>2021</b> <b>£000</b>	<i>Company</i> <i>2020</i> <i>£000</i>
Accelerated capital allowances	49	24	142	24
Revalued assets	78	59	75	57
Timing differences	-	(57)	-	-
	<b>127</b>	<b>26</b>	<b>217</b>	<b>81</b>

# ARUN ESTATE AGENCIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

### 23. Other provisions

Provision for onerous lease obligations:

	2021 £000	2020 £000
<b>Group and company</b>		
At 1 October 2020	86	49
(Utilised)/charged in year	(52)	37
<b>At 30 September 2021</b>	<b>34</b>	<b>86</b>

### 24. Share capital

	2021 £000	2020 £000
<b>Allotted, called up and fully paid</b>		
1,052 (2020 - 1,052) Ordinary shares of £1.00 each	1	1

### 25. Reserves

#### Capital redemption reserve

This reserve records the nominal value of preference shares repurchased by the Group and the Company.

#### Revaluation reserve

The revaluation reserve reflects the amount by which the current value of the Group and the Company's property portfolio exceeds its original purchase price.

#### Other reserves

Other reserves arose on the acquisition of certain estate agency branches by the Group.

#### Profit and loss account

The profit and loss account represents accumulated post-tax profits net of dividend payments for the Group and Company.

### 26. Pension commitments

The group operates two defined contribution pension schemes. The assets of the schemes are held separately from those of the Group in independently administered funds. The pension cost charge represents contributions payable by the Group to the funds less amounts received under the CJRS and amounted to £1,472,000 (2020: £1,402,000).

# ARUN ESTATE AGENCIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

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### 27. Post balance sheet events

The ongoing COVID-19 pandemic has the propensity to significantly impact the Group's trading. However, in the past the Group has taken immediate actions, as outlined in the Group Strategic Report, to mitigate this impact. As the result of these previous actions the Group believes that it has the systems and structures in place to deal with the ongoing pandemic. The Group remains financially strong and has not needed to access any external funding and has produced good results subsequent to the year end.

Neither this event nor any other event since the year-end has affected the figures contained within these financial statements.

### 28. Related party transactions

During the year the company entered into transactions, in the ordinary course of business, with other related parties. Transactions entered into and balances outstanding at 30 September are as follows:

	2021 £000	2020 £000
Amounts owed by related parties	46,746	47,106
Sales to related parties	45	55
Purchases from related companies	27	109
Purchases from key management	936	935
Sales to key management	117	98

Sales and purchases between related parties are made at normal market prices. Certain of the loans to related companies are secured and interest-bearing. Trading balances are on normal commercial terms with settlement expected within 30 days.

Of the amount owed by related parties £46,746,000 (2020: £47,106,000) was due after more than one year.

In both the current year and the previous year, in the light of the effects of the Covid-19 pandemic repayments have been deferred and are treated as falling due after more than one year. However, interest payments continued to be received.

### 29. Controlling party

The controlling party is P A Rooney.