

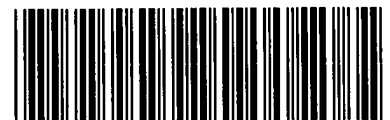
Registered number: 03514206

A.C. LLOYD (ASSET MANAGEMENT) LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2020

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A.C. LLOYD (ASSET MANAGEMENT) LIMITED

COMPANY INFORMATION

Directors

P C Beddoes
R A Clark
A C Richardson
H P Skeat
J E Stallard
M J Stallard
M J Stallard Junior
D P Wynne
M R Edwards

Company secretary

H P Skeat

Registered number

03514206

Registered office

Nicholls House
Homer Close
Tachbrook Park
Warwick
Warwickshire
CV34 6TT

Independent auditor

Cooper Parry Group Limited
Chartered Accountants & Statutory Auditor
Sky View
Argosy Road
East Midlands Airport
Castle Donington
Derby
DE74 2SA

A.C. LLOYD (ASSET MANAGEMENT) LIMITED

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A.C. LLOYD (ASSET MANAGEMENT) LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2020

Introduction

A.C. Lloyd (Asset Management) Limited is the holding company of A.C. Lloyd Holdings Limited and A C Lloyd Homes Limited. A.C. Lloyd Holdings Limited is mainly involved in commercial property development and A C Lloyd Homes Limited is mainly involved in residential property development. The group also operates a property rental business and a strategic land business which involves the acquisition of land either by way of purchase, option agreements or promotion agreements and the creation of value by securing appropriate planning permissions.

Business review

The group achieved a net profit before tax and distributions for the year of £11,344,358 (2019: £12,998,884). This outcome is below forecast for the year but does represent a good result given the difficult trading conditions experienced in the last 6 months of the year. During the year there was an outbreak of Coronavirus (COVID-19) which developed into a global pandemic. The pandemic continues at the date of signing these financial statements. As at March 2020 the business was performing extremely well and ahead of forecast. Unfortunately the lockdown in March 2020 as a result of COVID-19 meant that all of our residential sites were closed for a period of time. Since the sites re-opened there have been difficulties in securing supplies of certain materials and labour which has caused delays in completing houses. We have strictly enforced the Government guidelines on all of our sites to ensure the safety of our staff, contractors and customers. Inevitably this has also slowed down the construction process.

The economic problems resulting from the lockdown and the continuing uncertainty about the future means that there has been a considerable slowdown in the commercial property market and it is likely to be some time before activity returns to pre COVID-19 levels. The housing market has held up well over the latter part of 2020 boosted by a stamp duty reduction introduced by the Government. It is likely that the housing market will become increasingly difficult over 2021 as the stamp duty reduction ends in March 2021 and the full economic impact of COVID-19 is felt. COVID-19 has also had an impact on the property rental business with a number of tenants struggling with rent payments. Thanks to pro-active management we have been able to minimise the impact in this area but it is likely to be a continuing concern for some time.

During the year we have continued with the second phase of our Oakley Grove development off Harbury Lane which has proved to be most popular and sales will continue into 2021. We also commenced sales at our development at Kingswood Place in Lapworth which has seen very brisk interest as has our site at Victoria Point in Leamington where 60% of the houses were sold before year end and house and apartment sales will continue in the 2020/21 financial year. Work is well underway at our Cricketers site in Radford Semele where sales have commenced in 2020/21 and ground works started at our Mallory Gardens development in Bishops Tachbrook just prior to year-end.

During the year we completed a large site at Station Approach in Leamington Spa for a major social housing provider that we commenced work on at end of the 2015/16 financial year. We are delighted to have won an LABC Gold Award for Building Excellence for this development.

Our policy of continuing to work on our pipeline of new residential developments gathers pace, which will keep the housing team busy for a good number of years to come. The current construction schedule is planned out to the end of 2025, with a mix of owned sites and options on land which we hope to bring into planning over the coming years, and a more general view looking out to ten years hence. Our team will continue to seek opportunities to extend this pipeline further through securing land options on potential development sites.

On the commercial side of the business we saw the practical completion of our 15 commercial unit development at our T1300 site; aimed principally at owner occupiers, one of our remaining sites at Tachbrook Park in Leamington Spa. The majority of the units are either sold or well advanced in the sale process. We continue to market our remaining site at Tachbrook Park, as well as pursuing an exciting opportunity to develop the site ourselves.

A.C. LLOYD (ASSET MANAGEMENT) LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2020

Business review (continued)

The Teal Park 20 acre site we acquired in Nottingham continues to create interest and we are working in conjunction with a project management partner to develop this site. Most of the enabling works are completed, with one plot sold to a care home operator for their own project development. The plans for the local centre are well advanced with interest for an anchor retailer on the site, we have a number of interested parties for the trade counter units as well as some very advanced discussion for the larger units at the far end of the site. This is an exciting opportunity for the commercial team and the variety of units available on the site has helped interest for all phases of the project.

We have also completed on the sale of Sovereign House, Queensway. The team continue to seek new commercial sites on a purchase or option basis to maintain the pipeline of developments for the future.

Principal risks and uncertainties

In common with many businesses operating in the residential and commercial property markets the group is exposed to the risks presented by the general economic climate and the impact of movement in interest rates. The risks in the property rental business mostly relate to the ability of tenants to pay rent and/or willingness to renew leases. The economic climate continues to be monitored closely by the Board who have the ability to flex the rate of development activities as may be required. COVID-19 now represents another serious risk and will inevitably result in the board taking a very cautious approach to all property developments.

The group generates returns to shareholders from the development of residential and commercial property and income and capital growth from its rental business. The group's operations have for a number of years been financed by its own resources, but with increased residential and commercial activities the group has secured additional funding from its bankers. The group will continue to acquire sites for development without taking excessive risks.

We continue to monitor Government and industry guidance on maintaining a safe environment for subcontractors, customers and staff during the continued Coronavirus crisis, implementing changes as required and we will continue to monitor risks and make further changes as necessary.

Financial key performance indicators

The board use various performance measures to manage the business and drive the creation of value for shareholders. During the year turnover and profit have remained strong with group turnover at £36,051,556 (2019: £39,982,462) and profit after tax at £9,099,670 (2019: £10,388,339). Net assets have grown to £99,040,447 (2019: £93,540,777).

Financial performance measures include the setting of financial budgets and monitoring progress against these at group, company and divisional levels as well as non-financial performance objectives to manage the performance of the staff and management team. As part of our ongoing monitoring of the business we continue to review regularly the economy and the development market and the impact of the ongoing Coronavirus pandemic and will flex our operating model as necessary.

Engagement with employees

It is group policy that there should be effective communication with all employees who, subject to practical and commercial considerations, should be consulted on and involved in decisions that affect their current jobs and future projects. The number of long serving staff is testament to the effective working environment that we value as a business.

The group actively encourages the promotion of safe working conditions and procedures and development of practices which secure and enhance the health and welfare at work of our employees, suppliers and subcontractors. These are monitored and reported on at board level on a regular basis and we regularly work with Government and industry bodies to develop our safe working environments both on our development sites and within our Head Office.

A.C. LLOYD (ASSET MANAGEMENT) LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2020

Directors' statement of compliance with duty to promote the success of the group

The directors have acted in a way they consider, in good faith, promotes the success of the group for the benefit of its members as a whole, and in doing so has given regard (amongst other matters) to:

Business relationships

The group prides itself on the longevity of relationships with its suppliers, subcontractors and professional advisers where we have formed strong working relationships over many years and will continue to develop these relationships going forward. One of our major objectives is to continually improve our 'customer journey' which forms the cornerstone of our sales process.

Our people

The group is committed to being a responsible business. Our behaviour is aligned with the expectations of our staff, customers, suppliers, subcontractors, professional advisors, shareholders and society as a whole. Our staff are key to the delivery of quality new homes and successful commercial projects. In order for our business to continue to succeed we work closely with our staff to develop their skill sets and to forge long term relationships with our supplier base.

Disabled employees

The group provides for the employment of disabled persons. In the event of employees becoming disabled whilst in service of the group, every effort is made to continue their employment by transfer to alternative duties, if required, and by provision of such retraining as is appropriate.

Culture and values

The group values the importance of having the right corporate culture which is key to the success of the business and values the part we play in the local community. Our success is dependent on working fairly with our staff, customers, shareholders, suppliers, subcontractors and other stakeholders in order to achieve our strategic goals.

Shareholders

The management team are committed and openly engage with the group's shareholders through regular board meetings, our annual general meeting and other effective dialogue. Our shareholders are actively engaged in understanding our strategy, culture, staff and the performance of our shared objectives for the short, medium and long terms. A number of the founding family shareholders are actively involved in the business.

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



H P Skeat
Director

Date: 12 January 2021

A.C. LLOYD (ASSET MANAGEMENT) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2020

The directors present their report and the financial statements for the year ended 30 September 2020.

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 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 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 £9,099,670 (2019: £10,388,339).

During the year the company paid an interim dividend of £3,600,000 (2019: £2,500,000).

The directors do not recommend the payment of a final dividend.

Directors

The directors who served during the year are noted on the company information page.

A C Richardson and J E Stallard retire by rotation, and being eligible, offer themselves for re-election.

Coronavirus

At the date of signing these financial statements the country is in the midst of a global pandemic. The directors have considered the effect of the Coronavirus pandemic on the group with the information available to it and do not believe that it will affect their ability to continue as a going concern for the foreseeable future. As with most businesses there are short term practical difficulties which the directors are managing closely. See note 1.2 for further details.

Strategic report

The group has chosen in accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 to set out in the company's Strategic Report information required by the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 Schedule 7 to be contained in the directors' report.

A.C. LLOYD (ASSET MANAGEMENT) LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

Streamlined Energy Carbon Reporting (SECR)

UK Greenhouse gas emissions and energy use data for the group for the year ended 30 September 2020:

	2020
Energy consumption used to calculate emissions (kWh)	1,018,957
Scope 1 emissions in metric tonnes CO2e	
Gas consumption	34.10
Owned transport	175.42
Total scope 1	209.52
Scope 2 emissions in metric tonnes CO2e	
Purchased electricity	23.04
Scope 3 emissions in metric tonnes CO2e	
Business travel in employees owned vehicles	6.71
Total gross emissions in metric tonnes CO2e	239.27
Intensity ratio tonnes CO2e per employee	5.45

Quantification and reporting methodology

We have followed the 2019 HM Government Environmental Reporting guidelines. We have also used the GHG Reporting protocol – Corporate Standard and have used the 2020 UK Government Conversion Factors for Company Reporting.

Intensity measurement

The chosen intensity measurement ration is total gross emissions in metric tonnes CO2e per employee.

Measures taken to improve energy efficiency

The group has implemented a number of energy efficiency improvements at our Head Office and development sites. Some examples are:

- The installation of more efficient heating and ventilation systems within our Head Office building and other rental portfolio properties
- Installing smart meters in our new residential properties
- The installation of solar panels on the roofs of a number of the new properties we develop
- Working in conjunction with a local authority to trial new 'eco' homes with air source heat pump technology and increased levels of insulation
- The use of air source heat pumps in a number of the properties that we build
- The installation of more energy efficient central heating boilers in new properties
- The installation of electric vehicle charging points for new properties and at our Head Office
- Making electric and hybrid vehicles available as part of our company car scheme

A.C. LLOYD (ASSET MANAGEMENT) LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

Disclosure of information to auditor

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 auditor is 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 auditor is aware of that information.

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



H P Skeat
Director

Date: 12 January 2021

A.C. LLOYD (ASSET MANAGEMENT) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF A.C. LLOYD (ASSET MANAGEMENT) LIMITED

Opinion

We have audited the financial statements of A.C. Lloyd (Asset Management) Limited for the year ended 30 September 2020, which comprise the consolidated profit and loss account, the consolidated and company balance sheets, the consolidated and company statements of changes in equity, the consolidated statement of cash flows, the analysis of net funds 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 2020 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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.

Emphasis of matter

We draw attention to the investment property accounting policy in note 1.8, which refers to the global Coronavirus pandemic and the impact of this on the investment property valuations. Our opinion is not modified in respect of this matter.

A.C. LLOYD (ASSET MANAGEMENT) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF A.C. LLOYD (ASSET MANAGEMENT) LIMITED (CONTINUED)

Other information

The directors are responsible for the other information. The other information comprises the information included in the group strategic report and the directors' 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.

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

We have nothing to report in this regard.

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.

A.C. LLOYD (ASSET MANAGEMENT) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF A.C. LLOYD (ASSET MANAGEMENT) LIMITED (CONTINUED)

Responsibilities of directors

As explained more fully in the directors' responsibilities statement on page 4, 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.

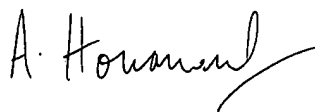
Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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



Andrew Honarmand (Senior Statutory Auditor)

for and on behalf of
Cooper Parry Group Limited

Chartered Accountants
Statutory Auditor

Sky View
Argosy Road
East Midlands Airport
Castle Donington
Derby
DE74 2SA

Date: 14 January 2021

A.C. LLOYD (ASSET MANAGEMENT) LIMITED

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

	Note	2020 £	2019 £
Turnover	1.4,3	36,051,556	39,982,462
Cost of sales		(24,591,720)	(29,502,527)
Gross profit		<u>11,459,836</u>	<u>10,479,935</u>
Administrative expenses		(3,828,846)	(3,926,769)
Exceptional items	4	(1,100,000)	-
Other operating income	5	271,001	183,939
Operating profit	6	<u>6,801,991</u>	<u>6,737,105</u>
Income from investment properties	9	4,432,229	4,369,755
Gain from changes in fair value of investment properties	14	71,667	1,711,163
Interest receivable		201,713	193,980
Interest payable		(163,242)	(13,119)
Profit on ordinary activities before taxation		<u>11,344,358</u>	<u>12,998,884</u>
Taxation on profit on ordinary activities	10	(2,244,688)	(2,610,545)
Profit for the financial year		<u><u>9,099,670</u></u>	<u><u>10,388,339</u></u>

There were no recognised gains and losses for 2020 or 2019 other than those included in the consolidated profit and loss account.

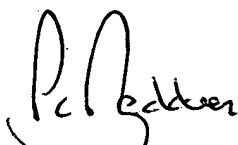
The notes on pages 17 to 35 form part of these financial statements.

A.C. LLOYD (ASSET MANAGEMENT) LIMITED
REGISTERED NUMBER:03514206

CONSOLIDATED BALANCE SHEET
AS AT 30 SEPTEMBER 2020

	Note	2020 £	As restated 2019 £
Fixed assets			
Tangible assets	12	407,601	415,632
Investment properties	14	43,380,001	43,498,334
		<u>43,787,602</u>	<u>43,913,966</u>
Current assets			
Stocks	15	41,755,513	39,720,397
Debtors	16	5,006,890	6,221,317
Cash at bank and in hand		22,903,080	19,841,870
		<u>69,665,483</u>	<u>65,783,584</u>
Creditors: amounts falling due within one year	17	<u>(13,314,925)</u>	<u>(15,083,081)</u>
Net current assets		<u>56,350,558</u>	<u>50,700,503</u>
Total assets less current liabilities		<u>100,138,160</u>	<u>94,614,469</u>
Provisions for liabilities			
Deferred taxation	18	<u>(1,097,713)</u>	<u>(1,073,692)</u>
Net assets		<u><u>99,040,447</u></u>	<u><u>93,540,777</u></u>
Capital and reserves			
Called up share capital	19	23,401,500	23,401,500
Other reserves	20	11,625,060	8,258,988
Profit and loss account	20	64,013,887	61,880,289
Shareholders' funds		<u><u>99,040,447</u></u>	<u><u>93,540,777</u></u>

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


P.C. Beddoes
 Director

Date: 12 January 2021

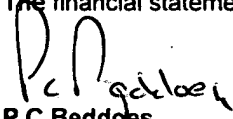
The notes on pages 17 to 35 form part of these financial statements.

A.C. LLOYD (ASSET MANAGEMENT) LIMITED
REGISTERED NUMBER:03514206

COMPANY BALANCE SHEET
AS AT 30 SEPTEMBER 2020

	Note	2020 £	As restated 2019 £
Fixed assets			
Tangible assets	12	375,902	368,559
Investments	13	5,001,560	5,001,560
Investment properties	14	33,915,001	33,598,334
		<u>39,292,463</u>	<u>38,968,453</u>
Current assets			
Stocks	15	190,000	-
Debtors	16	35,688,551	26,784,534
Cash at bank and in hand		18,280,014	20,143,576
		<u>54,158,565</u>	<u>46,928,110</u>
Creditors: amounts falling due within one year	17	<u>(2,106,561)</u>	<u>(1,949,007)</u>
Net current assets		<u>52,052,004</u>	<u>44,979,103</u>
Total assets less current liabilities		<u>91,344,467</u>	<u>83,947,556</u>
Provisions for liabilities			
Deferred taxation	18	(894,123)	(785,504)
Net assets		<u><u>90,450,344</u></u>	<u><u>83,162,052</u></u>
Capital and reserves			
Called up share capital	19	23,401,500	23,401,500
Other reserves	20	3,004,393	2,756,016
Profit and loss account	20	64,044,451	57,004,536
Shareholders' funds		<u><u>90,450,344</u></u>	<u><u>83,162,052</u></u>

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


P C Beddoes
 Director

Date: 12 January 2021

The notes on pages 17 to 35 form part of these financial statements.

A.C. LLOYD (ASSET MANAGEMENT) LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

	Called up share capital	Other reserves	Profit and loss account	Total equity
	£	£	£	£
At 1 October 2019 (as restated)	23,401,500	8,258,988	61,880,289	93,540,777
Profit for the financial year	-	-	9,099,670	9,099,670
Dividends paid	-	-	(3,600,000)	(3,600,000)
Transfer of revaluation on investment properties	-	71,667	(71,667)	-
Transfer of reserve on properties revalued in previous periods	-	3,294,405	(3,294,405)	-
At 30 September 2020	23,401,500	11,625,060	64,013,887	99,040,447

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

	Called up share capital	Other reserves	Profit and loss account	Total equity
	£	£	£	£
At 1 October 2018 (as previously stated)	23,401,500	10,408,475	52,256,551	86,066,526
Prior year restatement (see policy 1.6)	-	(298,334)	(115,754)	(414,088)
At 1 October 2018 (as restated)	23,401,500	10,110,141	52,140,797	85,652,438
Profit for the financial year	-	-	10,388,339	10,388,339
Dividends paid	-	-	(2,500,000)	(2,500,000)
Transfer of revaluation on investment property	-	1,711,163	(1,711,163)	-
Release of reserve on sale of investment property in a prior period	-	(267,911)	267,911	-
Reversal of transfer of surplus reserve on properties written down in previous periods	-	(3,294,405)	3,294,405	-
At 30 September 2019 (as restated)	23,401,500	8,258,988	61,880,289	93,540,777

The notes on pages 17 to 35 form part of these financial statements.

A.C. LLOYD (ASSET MANAGEMENT) LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

	Called up share capital	Other reserves	Profit and loss account	Total equity
	£	£	£	£
At 1 October 2019 (as restated)	23,401,500	2,756,016	57,004,536	83,162,052
Profit for the financial year	-	-	10,888,292	10,888,292
Dividends paid	-	-	(3,600,000)	(3,600,000)
Transfer of revaluation on investment property	-	248,377	(248,377)	-
At 30 September 2020	<u>23,401,500</u>	<u>3,004,393</u>	<u>64,044,451</u>	<u>90,450,344</u>

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

	Called up share capital	Other reserves	Profit and loss account	Total equity
	£	£	£	£
At 1 October 2018 (as previously stated)	23,401,500	5,805,503	48,611,128	77,818,131
Prior year restatement (see policy 1.6)	-	(298,334)	(115,754)	(414,088)
At 1 October 2018 (as restated)	<u>23,401,500</u>	<u>5,507,169</u>	<u>48,495,374</u>	<u>77,404,043</u>
Profit for the financial year	-	-	8,258,009	8,258,009
Dividends paid	-	-	(2,500,000)	(2,500,000)
Transfer of revaluation on investment property	-	811,163	(811,163)	-
Release of reserve on sale of investment property in a prior period	-	(267,911)	267,911	-
Transfer of surplus reserve on properties written down in previous periods	-	(3,294,405)	3,294,405	-
At 30 September 2019 (as restated)	<u>23,401,500</u>	<u>2,756,016</u>	<u>57,004,536</u>	<u>83,162,052</u>

The notes on pages 17 to 35 form part of these financial statements.

A.C. LLOYD (ASSET MANAGEMENT) LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

	2020 £	2019 £
Cash flows from operating activities		
Profit for the financial year	9,099,670	10,388,339
Adjustments for:		
Depreciation of tangible assets	71,293	74,273
Loss on disposal of tangible assets	2,476	2,483
Interest payable	163,242	13,119
Interest receivable	(201,713)	(193,980)
Taxation charge	2,244,688	2,610,545
Increase in stocks	(1,845,116)	(14,395,019)
Decrease/(increase) in debtors	214,427	(2,257,439)
(Decrease)/increase in creditors	(1,769,666)	884,357
Net fair value gains recognised in the profit and loss account	(71,667)	(1,711,163)
Corporation tax paid	(2,219,157)	(2,112,149)
Income received from fixed asset investments	(4,432,229)	(4,369,755)
Gain on disposal of fixed asset investment	-	(23,750)
Exceptional items	1,100,000	-
Net cash generated from/(used in) operating activities	<u>2,356,248</u>	<u>(11,090,139)</u>
Cash flows from investing activities		
Purchase of tangible fixed assets	(66,087)	(58,480)
Sale of tangible fixed assets	349	5,300
Purchase of investment properties	-	(169,679)
Sale of unlisted and other investments	-	98,750
Income received from fixed asset investments	4,432,229	4,369,755
Interest received	101,713	193,980
Net cash from investing activities	<u>4,468,204</u>	<u>4,439,626</u>
Cash flows from financing activities		
Repayment of loans	-	(291,667)
Dividends paid	(3,600,000)	(2,500,000)
Interest paid	(163,242)	(13,119)
Net cash used in financing activities	<u>(3,763,242)</u>	<u>(2,804,786)</u>
Net increase/(decrease) in cash and cash equivalents	3,061,210	(9,455,299)
Cash and cash equivalents at the beginning of the year	19,841,870	29,297,169
Cash and cash equivalents at the end of the year	<u>22,903,080</u>	<u>19,841,870</u>
Cash and cash equivalents at the end of the year comprise:		
Cash at bank and in hand	<u>22,903,080</u>	<u>19,841,870</u>

The notes on pages 17 to 35 form part of these financial statements.

A.C. LLOYD (ASSET MANAGEMENT) LIMITED

**CONSOLIDATED ANALYSIS OF NET FUNDS
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

	At 1 October 2019 £	Cash flows £	At 30 September 2020 £
Cash at bank and in hand	19,841,870	3,061,210	22,903,080

The notes on pages 17 to 35 form part of these financial statements.

A.C. LLOYD (ASSET MANAGEMENT) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

1. Accounting policies

1.1 Basis of preparation of financial statements

A.C. Lloyd (Asset Management) Limited ('the company') and its subsidiary undertakings ('the group') are limited liability companies incorporated and domiciled in the United Kingdom. The address of the registered office is given on the company information page.

The financial statements are prepared in Sterling (£) which is the functional currency of the group. The financial statements are for the year ended 30 September 2020 (2019: year ended 30 September 2019).

The financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS 102), the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland, and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires the directors to exercise judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

The following accounting policies have been applied consistently throughout the year:

1.2 Coronavirus and going concern

At the balance sheet date the group had significant cash availability and a strong net asset position. At the time of signing these accounts, the directors have considered the effect of the Coronavirus pandemic on the going concern position, and consider that this does indicate that the group will continue to trade for a period of at least 12 months from the date of signing these accounts.

The forecasts prepared by the directors that take account of the potential effect of the Coronavirus pandemic, show that the group will be able to operate within the facilities available to it. The group has traded well through the pandemic, and the directors are able to flex the rate of development activities as required. On that basis, the directors have prepared these financial statements on a going concern basis.

1.3 Basis of consolidation

The consolidated financial statements present the results of the group as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full. The company has taken advantage of FRS 102 Section 33.1A exemption from disclosing transactions with wholly owned group undertakings.

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own profit and loss account in these financial statements. The profit after tax of the parent company for the year was £10,888,292 (2019: £8,258,009).

A.C. LLOYD (ASSET MANAGEMENT) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

1. Accounting policies (continued)

1.4 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, Value Added Tax and other sales taxes.

Turnover represents the total sales value of legally completed properties and land sales, excluding part exchange property resales and including social housing properties through long term contracts. Turnover and profit on private housing and commercial sales are recognised on the date of final inspection by the purchaser when the contract becomes unconditional. Turnover from social housing contracts is recognised based on surveys of work performed.

For further details of revenue recognised through long term contracts please refer to note 1.5.

1.5 Long-term contracts

Profit on long-term contracts is taken as the work is carried out if the final outcome can be assessed with reasonable certainty. The profit included is calculated on a prudent basis to reflect the proportion of the work carried out at the year-end, by recording turnover and related costs as contract activity progresses.

The amounts by which recorded turnover on long-term contracts is in excess of payments on account is included in debtors as amounts recoverable on contracts. The amount of long-term contracts, at costs incurred, net of amounts transferred to cost of sales, after deducting foreseeable losses and payments on account not matched with turnover, is included in land and work in progress.

Receipts in excess of recorded turnover are included in creditors as accruals.

1.6 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 the directors.

Repairs and maintenance costs are charged to the consolidated profit and loss account during the period in which they are incurred.

A.C. LLOYD (ASSET MANAGEMENT) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

1. Accounting policies (continued)

1.6 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Freehold property	- over 50 years on a straight line basis
Plant, vehicles and office equipment	- 25% - 33.3% reducing balance basis

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 consolidated profit and loss account.

At each balance sheet date, the directors review the carrying amounts of its tangible fixed assets to determine whether there is any indication that any items have suffered an impairment loss. If any such indication exists, the recoverable amount of an asset is estimated in order to determine the extent of the impairment loss, if any.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment loss is recognised as an expense immediately in the consolidated profit and loss account.

During the year the directors have elected to reclassify the element of the head office which is utilised by other group entities, previously held within investment property, into tangible fixed assets. The directors have chosen to apply full retrospective restatement.

This has resulted in a prior year restatement which includes a £252,578 increase in tangible fixed assets, a £666,666 decrease in investment property, a £298,334 decrease in the other reserve and a £115,754 decrease in profit and loss account reserves brought forward. The overall impact on net assets is a reduction of £414,088. There is no impact on the company or consolidated profit and loss account.

1.7 Fixed asset investments

Investments in subsidiary undertakings are valued at cost less provision for impairment.

A.C. LLOYD (ASSET MANAGEMENT) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

1. Accounting policies (continued)

1.8 Investment properties

Investment properties are carried at fair value determined annually by the directors, and supported periodically by external valuations. Valuations are derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the profit and loss account, together with an associated deferred tax adjustment.

The impact of Coronavirus creates uncertainty in relation to the valuation of the investment properties. The outbreak of the Coronavirus (COVID-19), declared by the World Health Organisation as a 'Global pandemic' on the 11 March 2020, has affected global financial markets. Market activity is being impacted in many sectors. The investment properties have been valued by Bromwich Hardy. In their report they stated the following: 'The current response to COVID-19 means that we are faced with an unprecedented set of circumstances on which to base a judgement. Our valuation is therefore reported on the basis of 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Red Book Global. Consequently, less certainty and a higher degree of caution should be attached to our valuation than would normally be the case.'

A prior year restatement has been recognised in respect of the transfer of the group's head office into tangible fixed assets. Please refer to policy 1.6 for further detail.

1.9 Land held for development and work in progress

Land held for development and work in progress, is recorded at the lower of cost and net realisable value. Land is held for development until work commences and then it is transferred to work in progress.

When properties held in work in progress reach completion they are transferred to developments for resale. Where certain properties not yet sold are leased to a third party on a short term basis, the rents receivable are credited to other operating income on a straight line basis over the lease term.

1.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions. These deposits are repayable without penalty on the condition that 95 days notice is provided. Cash equivalents are highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value.

1.11 Financial instruments

The group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities such as trade and other debtors and creditors and loans with related parties. Other debtors due in greater than one year are measured at their present value using a market rate of interest. All other financial assets and liabilities are initially measured at transaction price and subsequently measured at amortised cost.

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

A.C. LLOYD (ASSET MANAGEMENT) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

1. Accounting policies (continued)

1.12 Provisions for liabilities

Provisions are made where an event has taken place that gives the group a legal or constructive obligation where there is a probable 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 the consolidated profit and loss account 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.

1.13 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Consolidated statement of comprehensive income in the same period as the related expenditure.

1.14 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid.

1.15 Income from investment properties

The group earns rental income from its investment properties which is accounted for on an accruals basis in accordance with the substance of the underlying agreement.

1.16 Interest income

Interest income is recognised in the consolidated profit and loss account using the effective interest method.

1.17 Operating leases

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

1.18 Pensions

The group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the group to the fund in respect of the year. Pension contributions are charged to the consolidated profit and loss account on an accruals basis. Differences between contributions payable in the year and contributions actually paid are shown on either accruals or prepayments in the balance sheet.

A.C. LLOYD (ASSET MANAGEMENT) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

1. Accounting policies (continued)

1.19 Current and deferred taxation

The tax charge for the year comprises of current and deferred tax.

Current tax is recognised for the amount of corporation tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

1.20 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the group but are presented separately due to their size or incidence.

A.C. LLOYD (ASSET MANAGEMENT) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

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

The group makes estimates and assumptions concerning the future. The directors are also required to exercise judgement in the process of applying the group's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Carrying value of land held for development and work in progress

Land held for development and work in progress is a combination of direct costs together with an element of indirect costs. The directors review the market value and demand to ensure that the balance is recorded in the financial statements at the lower of cost and net realisable value. Any provision for impairment is recorded against the carrying value. The directors use their knowledge of market conditions, historical experiences and estimates of future movements in the house price index to assess future demand for group's developments and hence achievable selling prices. For consideration of the impact of Coronavirus please refer to accounting policy 1.2. Whilst developments have slowed there is no indication at this stage that the carrying value of land held for development and work in progress is impaired.

Recognition of profit on long-term contracts

Profit recognition is based on an assessment of the overall profitability forecast on individual contracts. Losses are recognised as soon as they are foreseen. Profits are recognised by the directors when the outcome of the contract can be assessed with reasonable certainty. The profit recognised reflects that part of the total profit currently estimated to arise over the duration of the contract that fairly represents the profit attributable to work performed at the accounting date.

Valuation of investments

The group reviews the carrying value of fixed asset investments for indications of impairment at each period end. If indicators of impairment exist, the carrying value of the asset is subject to further testing to determine whether its carrying value exceeds its recoverable amount. This process will usually involve the estimation of future cash flows which are likely to be generated by the asset.

Valuation of investment properties

Critical estimates, assumptions and judgements relate to the determination of the carrying value of investment properties at fair value through the consolidated profit and loss account. In determining this, the group applies the overriding concept that fair value is the amount for which an asset can be exchanged between knowledgeable willing parties in an arm's length transaction. The nature, facts and circumstances of the investment drives the valuation methodology. Please refer to policy 1.8 for discussion around the impact of Coronavirus on the valuations this year.

Recoverability of debtors

Trade and other debtors are recognised to the extent that they are judged recoverable. The directors' reviews are performed to estimate the level of reserves required for irrecoverable debt. Provisions are made specifically against specific balances where recoverability is uncertain.

The directors recognise impairment based on an assessment of the recoverability of debtors. Allowances are applied to debtors where events or changes in circumstances indicate that the carrying amounts may not be recoverable. The directors specifically analyse historical bad debts, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgement to evaluate the adequacy of the provision for doubtful debts. Where the expectation is different from the original estimate, such difference will impact the carrying value of debtors and the charge in the consolidated profit and loss account.

A.C. LLOYD (ASSET MANAGEMENT) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

2. Judgements in applying accounting policies (continued)

Provisions

A provision is recognised when the group has a present legal or constructive obligation as a result of a past event for which it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flow at a rate that reflects the time value of money and the risks specific to the liability.

Whether a present obligation is probable or not requires judgement. The nature and type of risks for these provisions differ and the directors' judgement is applied regarding the nature and extent of obligations in deciding if an outflow of resources is probable or not. External advice is sought where appropriate.

Profit on long-term contracts is taken as the work is carried out if the final outcome can be assessed with reasonable certainty. The profit included is calculated on a prudent basis to reflect the proportion of the work carried out at the year-end, by recording turnover and related costs as contract activity progresses. Turnover and cost of sales are calculated as a percentage of direct costs used. Full provision is made for losses on all contracts in the year in which they are first foreseen.

Taxation

There are many transactions and calculations for which the ultimate tax determination is uncertain. The company takes professional advice on its tax affairs and recognises liabilities for anticipated tax based on estimates of what taxation is likely to be due.

Directors estimation is required to determine the amount of any deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits.

3. Turnover

The whole of turnover is attributable to the principal activities of the group.

Of total turnover for the year, £8,061,631 (2019: £14,657,661) was generated from long-term contracts.

All turnover arose within the United Kingdom.

4. Exceptional items

	2020 £	2019 £
Impairment of other debtors (note 16)	1,100,000	-

A.C. LLOYD (ASSET MANAGEMENT) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

5. Other operating income

	2020 £	2019 £
Discounts received	103,366	101,843
Other rental income	77,964	82,096
Government grants receivable	89,671	-
	<u>271,001</u>	<u>183,939</u>

6. Operating profit

The operating profit is stated after charging:

	2020 £	2019 £
Depreciation of tangible fixed assets	71,293	74,273
Auditor's remuneration - audit of the financial statements	39,000	37,500
Auditor's remuneration - taxation compliance services	7,600	7,250
Auditor's remuneration - general taxation advice	85,150	9,300

Auditor's fees for the company were £16,000 (2019: £15,500). Fees for taxation compliance services for the company were £3,300 (2019: £3,150).

7. Employees

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

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Wages and salaries	2,346,644	2,387,267	2,346,644	2,387,267
Social security costs	259,881	256,309	259,881	256,309
Pension costs	275,236	265,044	275,236	265,044
	<u>2,881,761</u>	<u>2,908,620</u>	<u>2,881,761</u>	<u>2,908,620</u>

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

	Group 2020 No.	Group 2019 No.	Company 2020 No.	Company 2019 No.
Office, production and management	44	41	44	41

A.C. LLOYD (ASSET MANAGEMENT) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

8. Directors' remuneration

	2020 £	2019 £
Directors' emoluments	<u>1,248,783</u>	<u>1,257,531</u>

During the year retirement benefits were accruing to Nil directors (2019: Nil) in respect of defined contribution pensions schemes.

The highest paid director received remuneration of £260,118 (2019: £265,604).

Included in directors' remuneration is £208,984 (2019: £266,169) paid to third parties for directors' services.

9. Income from investment properties

	2020 £	2019 £
Rental income from fixed asset investment properties	<u>4,432,229</u>	<u>4,369,755</u>

10. Taxation

	2020 £	2019 £
Corporation tax		
Current tax on profits for the year	2,220,667	2,122,158
Adjustments in respect of previous periods	-	419
Total current tax	<u>2,220,667</u>	<u>2,122,577</u>
Deferred tax		
Origination and reversal of timing differences	24,021	487,968
Taxation on profit on ordinary activities	<u>2,244,688</u>	<u>2,610,545</u>

A.C. LLOYD (ASSET MANAGEMENT) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

10. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2019: higher than) the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:

	2020 £	2019 £
Profit on ordinary activities before tax	11,344,358	12,998,884
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	2,155,428	2,469,788
Effects of:		
Expenses not deductible for tax purposes	108,421	(2,454)
Chargeable losses	(133,752)	(43,720)
Inherent gain indexation deferred tax impact	-	31,364
Adjustments in respect of previous periods	-	419
Income not taxable for tax purposes	(96,267)	(182,621)
Deferred tax not recognised	118,223	346,866
Adjustments to deferred tax rates	90,110	(16,601)
Fixed asset differences	2,525	7,504
Total tax charge for the year	2,244,688	2,610,545

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

11. Dividends

	2020 £	2019 £
Interim dividends paid	3,600,000	2,500,000

A.C. LLOYD (ASSET MANAGEMENT) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

12. Tangible fixed assets

Group

	Freehold property £	Plant, vehicles and office equipment £	Total £
Cost			
At 1 October 2019 (as previously stated)	-	734,736	734,736
Prior year restatement (see policy 1.6)	368,332	-	368,332
At 1 October 2019 (as restated)	368,332	734,736	1,103,068
Additions	-	66,087	66,087
Disposals	-	(22,210)	(22,210)
At 30 September 2020	368,332	778,613	1,146,945
Depreciation			
At 1 October 2019 (as previously stated)	-	571,682	571,682
Prior year restatement (see policy 1.6)	115,754	-	115,754
At 1 October 2019 (as restated)	115,754	571,682	687,436
Charge for the year	6,809	64,484	71,293
Disposals	-	(19,385)	(19,385)
At 30 September 2020	122,563	616,781	739,344
Net book value			
At 30 September 2020	245,769	161,832	407,601
At 30 September 2019 (as restated)	252,578	163,054	415,632

A.C. LLOYD (ASSET MANAGEMENT) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

12. Tangible fixed assets (continued)

Company

	Freehold property £	Plant, vehicles and office equipment £	Total £
Cost			
At 1 October 2019 (as previously stated)	-	568,036	568,036
Prior year restatement (see policy 1.6)	368,332	-	368,332
At 1 October 2019 (as restated)	368,332	568,036	936,368
Additions	-	65,613	65,613
Disposals	-	(22,210)	(22,210)
At 30 September 2020	368,332	611,439	979,771
Depreciation			
At 1 October 2019 (as previously stated)	-	452,055	452,055
Prior year restatement (see policy 1.6)	115,754	-	115,754
At 1 October 2019 (as restated)	115,754	452,055	567,809
Charge for the year	6,809	48,636	55,445
Disposals	-	(19,385)	(19,385)
At 30 September 2020	122,563	481,306	603,869
Net book value			
At 30 September 2020	245,769	130,133	375,902
At 30 September 2019 (as restated)	252,578	115,981	368,559

A.C. LLOYD (ASSET MANAGEMENT) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

13. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost	
At 1 October 2019 and at 30 September 2020	<u>5,001,560</u>
Net book value	
At 30 September 2019 and at 30 September 2020	<u><u>5,001,560</u></u>

Subsidiary undertakings:

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding	Principal activity
A.C. Lloyd Holdings Limited	Ordinary	100 %	Commercial development
A C Lloyd Homes Limited	Ordinary	100 %	Residential development

Both subsidiary undertakings are incorporated in England and Wales and share the same registered office as A.C. Lloyd (Asset Management) Limited. Details of which can be obtained as set out on the company information page.

A.C. LLOYD (ASSET MANAGEMENT) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

14. Investment properties

Group

	Freehold investment properties £
Valuation	
At 1 October 2019 (as restated, see policy 1.6)	43,498,334
Surplus on revaluation	71,667
Transfer of land to stock	(190,000)
At 30 September 2020	43,380,001

The 2020 valuations were performed by Bromwich Hardy, on an open market value for existing use basis.

If the investment properties had been accounted for under historic cost the properties would have been measured as follows:

	2020 £	2019 £
Investment properties cost value	<u>31,978,558</u>	<u>31,978,558</u>

A.C. LLOYD (ASSET MANAGEMENT) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

14. Investment properties (continued)

Company

	Freehold investment properties £
Valuation	
At 1 October 2019 (as restated, see policy 1.6)	33,598,334
Surplus on revaluation	506,667
Transfer of land to stock	(190,000)
At 30 September 2020	33,915,001

The 2020 valuations were performed by Bromwich Hardy, on an open market value for existing use basis.

If the investment properties had been accounted for under historic cost the properties would have been valued as follows:

	2020 £	2019 £
Investment properties cost value	<u>31,030,609</u>	<u>31,100,609</u>

15. Stocks

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Work in progress	21,805,554	15,370,019	-	-
Land held for development	<u>19,949,959</u>	<u>24,350,378</u>	<u>190,000</u>	<u>-</u>
	<u>41,755,513</u>	<u>39,720,397</u>	<u>190,000</u>	<u>-</u>

Amounts recognised in cost of sales during the year as an expense in relation to land held for development and work in progress were £19,022,171 (2019: £16,714,844).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

16. Debtors

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Due after more than one year				
Trade debtors	36,876	360,772	-	-
Amounts owed by group undertakings	-	-	35,000,000	26,000,000
Other debtors	850,000	1,850,000	-	-
	<u>886,876</u>	<u>2,210,772</u>	<u>35,000,000</u>	<u>26,000,000</u>
Due within one year				
Trade debtors	1,571,883	1,706,553	415,909	547,017
Amounts owed by group undertakings	-	-	33,869	-
Other debtors	271,054	740,354	1,274	28,924
Prepayments and accrued income	237,499	208,593	237,499	208,593
Amounts recoverable on long term contracts	2,039,578	1,355,045	-	-
	<u>5,006,890</u>	<u>6,221,317</u>	<u>35,688,551</u>	<u>26,784,534</u>

Amounts owed by group undertakings classified as due after more than one year are due for repayment on 1 October 2021. The loan does not bear any interest.

Other debtors due in more than one year are due for repayment by 20 August 2036. The balance attracts interest at an effective interest rate of 4% over its term.

17. Creditors: amounts falling due within one year

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Trade creditors	4,263,668	3,712,150	202,141	114,622
Amounts owed to group undertakings	-	-	-	546
Corporation tax	1,382,667	1,381,157	198,495	127,798
Other taxation and social security	782,048	365,073	297,077	323,952
Other creditors	104,258	1,302,886	90,000	90,000
Accruals and deferred income	6,782,284	8,321,815	1,318,848	1,292,089
	<u>13,314,925</u>	<u>15,083,081</u>	<u>2,106,561</u>	<u>1,949,007</u>

Included within other creditors is a balance on £Nil (2019: £1,200,000) which is secured on land held for development, included within stock.

A.C. LLOYD (ASSET MANAGEMENT) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

18. Deferred taxation

Group

	2020	2019
	£	£
At 1 October 2019	1,073,692	585,724
Charged to the profit and loss account	24,021	487,968
At 30 September 2020	<u>1,097,713</u>	<u>1,073,692</u>

Company

	2020	2019
	£	£
At 1 October 2019	785,504	420,692
Charged to the profit and loss account	108,619	364,812
At 30 September 2020	<u>894,123</u>	<u>785,504</u>

The provision for deferred taxation is made up as follows:

	Group	Group	Company	Company
	2020	2019	2020	2019
	£	£	£	£
Fixed asset timing differences	515,359	456,246	368,594	323,622
Short term timing differences	(24,931)	(425)	(5,931)	(425)
Capital gains	607,285	617,871	531,460	462,307
	<u>1,097,713</u>	<u>1,073,692</u>	<u>894,123</u>	<u>785,504</u>

19. Share capital

	2020	2019
	£	£
Allotted, called up and fully paid		
23,401,500 Ordinary shares of £1 each	<u>23,401,500</u>	<u>23,401,500</u>

A.C. LLOYD (ASSET MANAGEMENT) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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20. Reserves

Other reserves

Other reserves relates to all current and prior period revaluation movements on investment properties.

Profit and loss account

This reserve represents all current and prior period retained profits and losses after the payment of dividends.

21. Commitments under operating leases

At 30 September 2020 the group and the company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Not later than 1 year	7,069	6,820	7,069	6,820
Later than 1 year and not later than 5 years	6,705	1,705	6,705	1,705
	<u>13,774</u>	<u>8,525</u>	<u>13,774</u>	<u>8,525</u>

22. Related party transactions

Remuneration of key management personnel, including directors during the year totalled £1,649,810 (2019: £1,692,953).

During the year close family members of shareholders (prior year: close family members of directors) purchased houses totalling £366,714 (2019: £389,950). The transactions are considered to be on an arm's length basis.

During the year the group sold a development out of stock for £Nil (2019: £2,700,000) to a company under common control. The transaction is considered to be on an arms length basis.

During the year some of the directors who are also shareholders of the group received dividends of £2,373,733 (2019: £1,648,425).

23. Controlling party

The directors consider there to be no overall controlling party.