

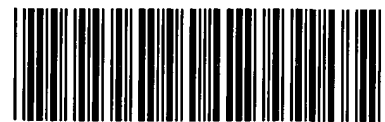
Registered number: 03514206

**A.C. LLOYD (ASSET MANAGEMENT) LIMITED**

**ANNUAL REPORT**

**FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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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 (deceased 15 August 2021)  
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**

## **CONTENTS**

	<b>Page</b>
<b>Group strategic report</b>	<b>1 - 4</b>
<b>Directors' report</b>	<b>5 - 7</b>
<b>Independent auditor's report</b>	<b>8 - 11</b>
<b>Consolidated profit and loss account</b>	<b>12</b>
<b>Consolidated balance sheet</b>	<b>13</b>
<b>Company balance sheet</b>	<b>14</b>
<b>Consolidated statement of changes in equity</b>	<b>15</b>
<b>Company statement of changes in equity</b>	<b>16</b>
<b>Consolidated statement of cash flows</b>	<b>17</b>
<b>Consolidated analysis of net funds</b>	<b>18</b>
<b>Notes to the financial statements</b>	<b>19 - 35</b>

## **A.C. LLOYD (ASSET MANAGEMENT) LIMITED**

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

#### **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.

It is with great sadness that we report the passing earlier this year of Mrs Janet Stallard; a daughter of the founder of the business Mr AC Lloyd, who was for many years a director and shareholder of the business. Our thoughts are with the Stallard family.

#### **Business review and future developments**

The Group achieved a net profit before tax and distributions for the year of £16,217,117 (2020: £11,344,358). This outcome is above forecast. During the year we saw a surge in residential house sales helped by the Stamp Duty Holiday and a level of pent-up demand. Construction delays as a result of the Coronavirus lockdowns and material and labour shortages did impact trading. An opportunity to sell the bulk of the commercial units at our site in Nottingham to a property investment fund ahead of our previous development schedule was taken which accelerated profit in 2021. We have strictly enforced the Government guidelines for Covid 19 on all of our sites to ensure the safety of our staff, contractors and customers. Inevitably this has extended the normal length of the construction process.

We have continued to see a slowdown in parts of the commercial market due to continuing economic uncertainty, but in both the residential and commercial land markets we have seen developers chasing land resulting in exceptionally high land values. We will continue to seek land opportunities but will resist the temptation to buy at over inflated values.

We will continue to phase our developments in order to avoid excessive levels of work in progress should markets slow, and we will carry on this policy alongside monitoring economic conditions and the fallout from the pandemic.

During the year we concluded the second phase of our Oakley Grove development at Harbury Lane, which has proved to be most popular. We cautiously moved into the next phase of the development at Oakley Grove and have been pleased with sales so far and envisage this site continuing to run into 2023. We are also planning to commence the infrastructure work on the fourth and final phase at Oakley Grove in 2023. We have been delighted with the sales and conclusion to the development at Kingswood Place in Lapworth where the last property sold in Spring 2021. Marketing continues at our development at Victoria Point in Leamington. All of the houses were sold in the year and whilst the sale of the apartments has been slower good progress has been made. Our Cricketers site in Radford Semele has sold well but there were delays due to materials shortages. The final three properties were completed after the end of the financial year. Our development at Mallory Gardens in Bishops Tachbrook, where ground works had just started just prior to last year-end, has seen strong reservation activity and completions are just coming on stream.

Our activity on the pipeline of new residential developments moves at a brisk 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 2026, with a mix of owned sites and options on land which we hope to bring into planning over the coming years. Our team will progress further opportunities to extend this pipeline through securing land options on potential development sites.

On the commercial side of the business, the final units sold at our 15 commercial unit development at T1300 on Tachbrook Park which was aimed principally at owner occupiers.

We have a development on our last remaining plot at Tachbrook Park in the planning process which will comprise small business units. We expect that this development will commence in early 2022.

## **A.C. LLOYD (ASSET MANAGEMENT) LIMITED**

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

#### **Business review and future developments (continued)**

During the year we continued to develop our site at Teal Park, Nottingham in conjunction with a project management partner. We built and sold a large warehouse unit for an owner occupier. We received an unsolicited approach from a property fund which resulted in the sale of trade and employment units in advance of completion of construction. This transaction has brought forward profits into the financial year which we expected to materialise in 2021/22. A land sale was completed post year end with a well-known supermarket chain. There are some small retail units to be constructed in 2022 but we anticipate that the whole site will be completed within 2022. Overall, this development has proved to be very successful.

The commercial 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. Covid19 and the continued disruption to material supplies and labour represents serious risks. The Board continue to take 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. It has a number of land acquisitions pending which together with the need to provide working capital to develop these sites will reduce the cash balances. The pandemic has reinforced the Board's view that a strong balance sheet and cash reserves provide resilience to the business model and allows swift action should land acquisition opportunities arise. 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 business uses various performance measures to manage the business and drive the creation of value for shareholders. These include financial performance measures involving the setting of financial budgets and monitoring progress against these at company and divisional level as well as non-financial performance objectives to manage the performance of the staff and management team. During the year turnover and profit have remained strong with group turnover at £63,321,505 (2020: £36,051,566) and profit after tax at £12,956,312 (2020: £9,099,670). Net assets have grown to £104,583,544 (2020: £99,040,447).

As part of our ongoing monitoring of the business we continue to review developments within the economy and the development market relating to the ongoing Coronavirus Pandemic and will flex our operating model as necessary.

## **A.C. LLOYD (ASSET MANAGEMENT) LIMITED**

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

#### **Directors' statement of compliance with duty to promote the success of the group (Section 172(1) statement)**

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.

##### **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.

##### **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.

As a business that has operated in the Leamington Spa area for over 70 years, we look to play our part in the local community by supporting local community and schools projects as well as raising funds and providing practical help to a number of charities and events in the area. When we undertake new local developments, we hold events so that local residents can comment on our proposals and fully understand how the projects will provide much needed housing or commercial employment space to the local area.

**A.C. LLOYD (ASSET MANAGEMENT) LIMITED**

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

**Directors' statement of compliance with duty to promote the success of the group (Section 172(1) statement) (continued)**

**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: 11 January 2022

## **A.C. LLOYD (ASSET MANAGEMENT) LIMITED**

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

The directors present their report and the financial statements for the year ended 30 September 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 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 £12,956,312 (2020: £9,099,670).

During the year the company paid an interim dividend of £7,300,000 (2020: £3,600,000).

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.

Mr MJ Stallard (Junior), Mr PC Beddoes and Mr HP Skeat retire by rotation, and being eligible offer themselves for re-election.

#### **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 2021

#### Streamlined Energy Carbon Reporting (SECR)

UK Greenhouse gas emissions and energy use data for the group for the year ended 30 September 2021:

	2021	2020
<b>Energy consumption used to calculate emissions (kWh)</b>	<b>1,005,976</b>	<b>1,018,957</b>
<b>Scope 1 emissions in metric tonnes CO2e</b>		
Gas consumption	45.93	34.10
Owned transport	142.95	175.42
<b>Total scope 1</b>	<b>188.49</b>	<b>209.52</b>
<b>Scope 2 emissions in metric tonnes CO2e</b>		
Purchased electricity	29.38	23.04
<b>Scope 3 emissions in metric tonnes CO2e</b>		
Business travel in employees owned vehicles	8.84	6.71
<b>Total gross emissions in metric tonnes CO2e</b>	<b>226.71</b>	<b>239.27</b>
<b>Intensity ratio tonnes CO2e per employee</b>	<b>4.60</b>	<b>5.45</b>

#### 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 2021 UK Government Conversion Factors for Company Reporting.

#### Intensity measurement

The chosen intensity management ratio 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 2021**

**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: 11 January 2022

## **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 2021, 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 consolidated 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 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 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**

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

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

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

## **A.C. LLOYD (ASSET MANAGEMENT) LIMITED**

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

#### **Other information**

The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **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 set out 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.

## **A.C. LLOYD (ASSET MANAGEMENT) LIMITED**

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

#### **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 Group financial statements.

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

Our assessment focused on key laws and regulations the entity has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Companies Act 2006, United Kingdom Generally Accepted Accounting Practice and relevant tax legislation.

We are not responsible for preventing irregularities. Our approach to detect irregularity included, but was not limited to the following:

- obtaining an understanding of the group's policies and procedures and how the group has complied with these, through discussions and walkthroughs;
- obtaining an understanding of the group's risk assessment process, including the risk of fraud;
- enquiring of management as to actual and potential fraud, litigation and claims;
- designing our audit procedures to respond to our risk assessment;
- performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias, specifically surrounding the valuation of the investment property;
- obtaining an understanding and testing of the assumptions and calculations involved in the recognition of work in progress, including reviews of forecasts, detailed cost allocation testing and a review of the completeness of provisions for loss making developments;
- reviewing the recoverability of work in progress with reference to post year end sales; and
- reviewing the carrying value of work in progress at the year end and the company's policies in respect of revenue and profit recognition on property related sales.

In response to the risk of irregularities in relation to non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims including a review of legal and professional nominal codes;
- reviewing correspondence with HMRC and associated parties.

Whilst considering how our audit work addressed the detection of irregularities, we also consider the likelihood of detection based on our audit approach. Irregularities from fraud are inherently more difficult to detect than those arising from error.

**A.C. LLOYD (ASSET MANAGEMENT) LIMITED**

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

**Auditor's responsibilities for the audit of the financial statements (continued)**

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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 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.



Faye Wyles (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: 11 January 2022

**A.C. LLOYD (ASSET MANAGEMENT) LIMITED**

**CONSOLIDATED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

	<b>Note</b>	<b>2021 £</b>	<b>2020 £</b>
<b>Turnover</b>	3	63,321,505	36,051,556
<b>Cost of sales</b>		(49,273,873)	(24,591,720)
<b>Gross profit</b>		<u>14,047,632</u>	<u>11,459,836</u>
Administrative expenses		(3,370,678)	(3,828,846)
Exceptional items	4	1,100,000	(1,100,000)
Other operating income	5	<u>168,524</u>	<u>271,001</u>
<b>Operating profit</b>	6	11,945,478	6,801,991
Income from investment properties	9	3,614,585	4,432,229
Gain from changes in fair value of investment properties	14	531,669	71,667
Interest receivable		135,694	201,713
Interest payable		(10,309)	(163,242)
<b>Profit on ordinary activities before taxation</b>		<u>16,217,117</u>	<u>11,344,358</u>
Tax on profit on ordinary activities	10	(3,260,805)	(2,244,688)
<b>Profit for the financial year</b>		<u><u>12,956,312</u></u>	<u><u>9,099,670</u></u>

There were no recognised gains and losses for 2021 or 2020 other than those included in the consolidated profit and loss account.

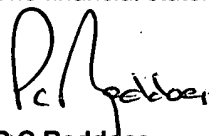
The notes on pages 19 to 35 form part of these financial statements.

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

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

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	12	412,372	407,601
Investment properties	14	37,871,670	43,380,001
		<u>38,284,042</u>	<u>43,787,602</u>
<b>Current assets</b>			
Stocks	15	21,490,492	41,755,513
Debtors	16	8,485,648	5,006,890
Cash at bank and in hand	17	51,752,587	22,903,080
		<u>81,728,727</u>	<u>69,665,483</u>
<b>Creditors: amounts falling due within one year</b>	18	<u>(13,859,338)</u>	<u>(13,314,925)</u>
<b>Net current assets</b>		<u>67,869,389</u>	<u>56,350,558</u>
<b>Total assets less current liabilities</b>		<u>106,153,431</u>	<u>100,138,160</u>
<b>Provisions for liabilities</b>			
Deferred taxation	19	<u>(1,569,887)</u>	<u>(1,097,713)</u>
<b>Net assets</b>		<u>104,583,544</u>	<u>99,040,447</u>
<b>Capital and reserves</b>			
Called up share capital	20	23,401,500	23,401,500
Other reserves	21	10,710,085	11,625,060
Profit and loss account	21	70,471,959	64,013,887
<b>Shareholders' funds</b>		<u>104,583,544</u>	<u>99,040,447</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: 11 January 2022

The notes on pages 19 to 35 form part of these financial statements.

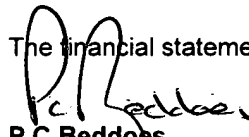


**A.C. LLOYD (ASSET MANAGEMENT) LIMITED**  
**REGISTERED NUMBER: 03514206**

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

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	12	392,643	375,902
Investments	13	5,001,560	5,001,560
Investment properties	14	31,896,670	33,915,001
		<u>37,290,873</u>	<u>39,292,463</u>
<b>Current assets</b>			
Stocks	15	190,000	190,000
Debtors	16	15,260,231	35,688,551
Cash at bank and in hand	17	42,823,164	18,280,014
		<u>58,273,395</u>	<u>54,158,565</u>
<b>Creditors: amounts falling due within one year</b>	18	(1,978,920)	(2,106,561)
<b>Net current assets</b>		<u>56,294,475</u>	<u>52,052,004</u>
<b>Total assets less current liabilities</b>		<u>93,585,348</u>	<u>91,344,467</u>
<b>Provisions for liabilities</b>			
Deferred taxation	19	(1,235,174)	(894,123)
<b>Net assets</b>		<u><u>92,350,174</u></u>	<u><u>90,450,344</u></u>
<b>Capital and reserves</b>			
Called up share capital	20	23,401,500	23,401,500
Other reserves	21	3,461,062	3,004,393
Profit and loss account	21	65,487,612	64,044,451
<b>Shareholders' funds</b>		<u><u>92,350,174</u></u>	<u><u>90,450,344</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: 11 January 2022

The notes on pages 19 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 2021**

	<b>Called up share capital</b>	<b>Other reserves</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>At 1 October 2020</b>	23,401,500	11,625,060	64,013,887	99,040,447
Profit for the financial year	-	-	12,956,312	12,956,312
Dividends paid	-	-	(7,300,000)	(7,300,000)
Transfer of revaluation on investment property	-	(801,760)	801,760	-
Release of reserve on sale of investment property	-	(113,215)	-	(113,215)
<b>At 30 September 2021</b>	<u>23,401,500</u>	<u>10,710,085</u>	<u>70,471,959</u>	<u>104,583,544</u>

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

	<b>Called up share capital</b>	<b>Other reserves</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>At 1 October 2019 (restated)</b>	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 property	-	71,667	(71,667)	-
Transfer of reserve on properties revalued in previous periods	-	3,294,405	(3,294,405)	-
<b>At 30 September 2020</b>	<u>23,401,500</u>	<u>11,625,060</u>	<u>64,013,887</u>	<u>99,040,447</u>

The notes on pages 19 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 2021**

	<b>Called up share capital</b>	<b>Other reserves</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 1 October 2020	23,401,500	3,004,393	64,044,451	90,450,344
Profit for the financial year	-	-	9,199,830	9,199,830
Dividends paid	-	-	(7,300,000)	(7,300,000)
Transfer of revaluation on investment property	-	456,669	(456,669)	-
<b>At 30 September 2021</b>	<b>23,401,500</b>	<b>3,461,062</b>	<b>65,487,612</b>	<b>92,350,174</b>

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

	<b>Called up share capital</b>	<b>Other reserves</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
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)	-
<b>At 30 September 2020</b>	<b>23,401,500</b>	<b>3,004,393</b>	<b>64,044,451</b>	<b>90,450,344</b>

The notes on pages 19 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 2021**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Cash flows from operating activities</b>		
Profit for the financial year	12,956,312	9,099,670
<b>Adjustments for:</b>		
Depreciation of tangible assets	77,268	71,293
(Profit)/loss on disposal of tangible assets	(18,575)	2,476
Interest payable	10,309	163,242
Interest receivable	(135,694)	(201,713)
Taxation charge	3,260,805	2,244,688
Decrease/(increase) in stocks	20,265,021	(1,845,116)
(Increase)/decrease in debtors	(2,278,758)	214,427
Increase/(decrease) in creditors	1,679,686	(1,769,666)
Net fair value gains recognised in the profit and loss account	(531,669)	(71,667)
Corporation tax paid	(3,923,904)	(2,219,157)
Income received from fixed asset investments	(3,602,595)	(4,432,229)
Gain on disposal of investment properties	(823,215)	-
Exceptional items	(1,100,000)	1,100,000
<b>Net cash generated from operating activities</b>	<b>25,834,991</b>	<b>2,356,248</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(102,341)	(66,087)
Sale of tangible fixed assets	38,877	349
Sale of investment properties	6,750,000	-
Income received from fixed asset investments	3,602,595	4,432,229
Interest received	35,694	101,713
<b>Net cash from investing activities</b>	<b>10,324,825</b>	<b>4,468,204</b>
<b>Cash flows from financing activities</b>		
Dividends paid	(7,300,000)	(3,600,000)
Interest paid	(10,309)	(163,242)
<b>Net cash used in financing activities</b>	<b>(7,310,309)</b>	<b>(3,763,242)</b>
<b>Net increase in cash and cash equivalents</b>	<b>28,849,507</b>	<b>3,061,210</b>
Cash and cash equivalents at beginning of year	22,903,080	19,841,870
<b>Cash and cash equivalents at the end of year</b>	<b>51,752,587</b>	<b>22,903,080</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	51,752,587	22,903,080

The notes on pages 19 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 2021**

	<b>At 1 October 2020 £</b>	<b>Cash flows £</b>	<b>At 30 September 2021 £</b>
Cash at bank and in hand	<u>22,903,080</u>	<u>28,849,507</u>	<u>51,752,587</u>

The notes on pages 19 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 2021**

#### **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 2021 (2020: year ended 30 September 2020).

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 Going concern**

At the balance sheet date, there was significant cash availability across the group and the company had a strong net asset position. Having prepared forecasts for a period of at least 12 months from the date of approving these financial statements the directors believe it appropriate that the financial statements be prepared 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 £9,199,830 (2020: £10,888,292).

##### **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.

## A.C. LLOYD (ASSET MANAGEMENT) LIMITED

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

#### 1. Accounting policies (continued)

##### 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.

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

##### 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 2021**

#### **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.

##### **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.

##### **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 of a revenue nature are recognised in the consolidated profit and loss account in the same period as the related expenditure.



## **A.C. LLOYD (ASSET MANAGEMENT) LIMITED**

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

#### **1. Accounting policies (continued)**

##### **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.

##### **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.

## **A.C. LLOYD (ASSET MANAGEMENT) LIMITED**

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

#### **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.

##### **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.

##### **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 2021

#### 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, £7,581,184 (2020: £8,061,631) was generated from long-term contracts.

All turnover arose within the United Kingdom.

#### 4. Exceptional items

	2021 £	2020 £
(Reversal)/Impairment of other debtors (note 16)	(1,100,000)	1,100,000

The directors have assessed the recoverability of the other debtor balance and have determined the provision is no longer required.

**A.C. LLOYD (ASSET MANAGEMENT) LIMITED**

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

**5. Other operating income**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Discounts received	91,766	103,366
Other rental income	76,758	77,964
Government grants receivable	-	89,671
	<u>168,524</u>	<u>271,001</u>

**6. Operating profit**

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

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Depreciation of tangible fixed assets	77,268	71,293
Gain on disposal of investment property	(823,215)	-
Auditor's remuneration - audit of the financial statements	43,400	39,000
Auditor's remuneration - tax compliance services	9,600	7,600
Auditor's remuneration - general taxation advice	-	85,150
	<u>          </u>	<u>          </u>

Auditor's fees for the company were £18,000 (2020: £16,000) which is included within the £43,400 (2020: £39,000). Fees for taxation compliance services for the company were £5,000 (2020: £3,300).

**7. Employees**

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

	<b>Group 2021</b>	<b>Group 2020</b>	<b>Company 2021</b>	<b>Company 2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Wages and salaries	2,904,740	2,364,982	2,904,740	2,364,982
Social security costs	302,605	259,881	302,605	259,881
Cost of defined contribution scheme	333,005	275,236	333,005	275,236
	<u>3,540,350</u>	<u>2,900,099</u>	<u>3,540,350</u>	<u>2,900,099</u>

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

	<b>Group 2021</b>	<b>Group 2020</b>	<b>Company 2021</b>	<b>Company 2020</b>
	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>No.</b>
Office, production and management	<u>54</u>	<u>44</u>	<u>54</u>	<u>44</u>

**A.C. LLOYD (ASSET MANAGEMENT) LIMITED**

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

**8. Directors' remuneration**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Directors' emoluments	1,570,504	1,248,783

During the year retirement benefits were accruing to Nil directors (2020: Nil) in respect of defined contribution pensions schemes.

The highest paid director received remuneration of £331,049 (2020: £260,118).

Included in directors' remuneration is £75,777 (2020: £157,564) paid to third parties for directors' services.

**9. Income from investment properties**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Rental income from fixed asset investment properties	3,614,585	4,432,229

**10. Taxation**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Corporation tax</b>		
Current tax on profits for the year	2,794,532	2,220,667
Adjustments in respect of previous periods	(5,901)	-
<b>Total current tax</b>	2,788,631	2,220,667
<b>Deferred tax</b>		
Origination and reversal of timing differences	472,174	24,021
<b>Taxation on profit on ordinary activities</b>	3,260,805	2,244,688

**A.C. LLOYD (ASSET MANAGEMENT) LIMITED**

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

**10. 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:

	<b>2021 £</b>	<b>2020 £</b>
Profit on ordinary activities before tax	16,217,117	11,344,358
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	3,081,252	2,155,428
<b>Effects of:</b>		
Expenses not deductible for tax purposes	3,317	108,421
Chargeable gains/(losses)	31,975	(133,752)
Additional deduction for land remediation expenditure	(7,214)	-
Adjustments in respect of previous periods	(5,901)	-
Income not taxable for tax purposes	(122,928)	(96,267)
Deferred tax not recognised	164,948	118,223
Adjustments to deferred tax rates	234,950	90,110
Fixed asset differences	(119,594)	2,525
<b>Total tax charge for the year</b>	<b>3,260,805</b>	<b>2,244,688</b>

**Factors that may affect future tax charges**

On 3 March 2021, the Chancellor of the Exchequer announced that the corporation tax rate would increase to a maximum of 25% from 1 April 2023. This was substantively enacted on 24 May 2021. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised, based on tax law and the corporation tax rates that have been enacted, or substantively enacted, at 30 September 2021. As such, the deferred tax rate applicable at 30 September 2021 is 25% and deferred tax has been re-measured at this rate.

**11. Dividends**

	<b>2021 £</b>	<b>2020 £</b>
Interim dividends paid	7,300,000	3,600,000

**A.C. LLOYD (ASSET MANAGEMENT) LIMITED**

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

**12. Tangible fixed assets**

**Group**

	<b>Freehold property £</b>	<b>Plant, vehicles and office equipment £</b>	<b>Total £</b>
<b>Cost</b>			
At 1 October 2020	368,332	778,613	1,146,945
Additions	-	102,341	102,341
Disposals	-	(284,294)	(284,294)
At 30 September 2021	<u>368,332</u>	<u>596,660</u>	<u>964,992</u>
<b>Depreciation</b>			
At 1 October 2020	122,563	616,781	739,344
Charge for the year	6,809	70,459	77,268
Disposals	-	(263,992)	(263,992)
At 30 September 2021	<u>129,372</u>	<u>423,248</u>	<u>552,620</u>
<b>Net book value</b>			
At 30 September 2021	<u>238,960</u>	<u>173,412</u>	<u>412,372</u>
At 30 September 2020	<u>245,769</u>	<u>161,832</u>	<u>407,601</u>

**A.C. LLOYD (ASSET MANAGEMENT) LIMITED**

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

**12. Tangible fixed assets (continued)**

**Company**

	<b>Freehold property £</b>	<b>Plant, vehicles and office equipment £</b>	<b>Total £</b>
<b>Cost</b>			
At 1 October 2020	368,332	611,439	979,771
Additions	-	102,341	102,341
Disposals	-	(248,294)	(248,294)
At 30 September 2021	<u>368,332</u>	<u>465,486</u>	<u>833,818</u>
<b>Depreciation</b>			
At 1 October 2020	122,563	481,306	603,869
Charge for the year	6,809	60,596	67,405
Disposals	-	(230,099)	(230,099)
At 30 September 2021	<u>129,372</u>	<u>311,803</u>	<u>441,175</u>
<b>Net book value</b>			
At 30 September 2021	<u>238,960</u>	<u>153,683</u>	<u>392,643</u>
At 30 September 2020	<u>245,769</u>	<u>130,133</u>	<u>375,902</u>



**A.C. LLOYD (ASSET MANAGEMENT) LIMITED**

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

**13. Fixed asset investments**

**Company**

**Investments  
in  
subsidiary  
companies  
£**

**Cost**

At 1 October 2020 and at 30 September 2021

5,001,560

**Net book value**

At 30 September and at 30 September 2021

5,001,560

**Subsidiary undertakings:**

**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 2021**

**14. Investment property**

**Group**

	<b>Freehold investment properties £</b>
<b>Valuation</b>	
At 1 October 2020	43,380,001
Disposals	(6,040,000)
Surplus on revaluation	531,669
<b>At 30 September 2021</b>	<b>37,871,670</b>

The 2021 valuations were performed by the directors on an open market value for existing use basis.

If the Investment properties had been accounted for under the historic cost accounting rules, the properties would have been measured as follows:

	<b>2021 £</b>	<b>2020 £</b>
Investment properties cost value	27,385,201	31,978,558

**Company**

	<b>Freehold investment properties £</b>
<b>Valuation</b>	
At 1 October 2020	33,915,001
Disposals	(2,475,000)
Surplus on revaluation	456,669
<b>At 30 September 2021</b>	<b>31,896,670</b>

The 2021 valuations were performed by the directors, 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:

	<b>2021 £</b>	<b>2020 £</b>
Investment properties cost value	28,572,319	31,030,609

**A.C. LLOYD (ASSET MANAGEMENT) LIMITED**

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

**15. Stocks**

	<b>Group 2021 £</b>	<b>Group 2020 £</b>	<b>Company 2021 £</b>	<b>Company 2020 £</b>
Work in progress	12,004,883	21,805,554	-	-
Land held for development	9,485,609	19,949,959	190,000	190,000
	<u>21,490,492</u>	<u>41,755,513</u>	<u>190,000</u>	<u>190,000</u>

**16. Debtors**

	<b>Group 2021 £</b>	<b>Group 2020 £</b>	<b>Company 2021 £</b>	<b>Company 2020 £</b>
<b>Due after more than one year</b>				
Trade debtors	482,475	36,876	-	-
Amounts owed by group undertakings	-	-	14,000,000	35,000,000
Other debtors	2,050,000	850,000	-	-
	<u>2,532,475</u>	<u>886,876</u>	<u>14,000,000</u>	<u>35,000,000</u>
<b>Due within one year</b>				
Trade debtors	2,818,435	1,571,883	1,061,221	415,909
Amounts owed by group undertakings	-	-	-	33,869
Other debtors	205,538	271,054	-	1,274
Prepayments and accrued income	256,162	237,499	199,010	237,499
Amounts recoverable on long term contracts	2,673,038	2,039,578	-	-
	<u>8,485,648</u>	<u>5,006,890</u>	<u>15,260,231</u>	<u>35,688,551</u>

Amounts owed by group undertakings classified as due after more than one year are due for repayment on 1 October 2022. 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. Cash and cash equivalents**

	<b>Group 2021 £</b>	<b>Group 2020 £</b>	<b>Company 2021 £</b>	<b>Company 2020 £</b>
Cash at bank and in hand	<u>51,752,587</u>	<u>22,903,080</u>	<u>42,823,164</u>	<u>18,280,014</u>

Included in cash and cash equivalents of the group is £3,000,000 (2020: £3,000,000) of cash on deposit which there is a fixed charge in place with the bank.

**A.C. LLOYD (ASSET MANAGEMENT) LIMITED**

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

**18. Creditors: amounts falling due within one year**

	<b>Group 2021 £</b>	<b>Group 2020 £</b>	<b>Company 2021 £</b>	<b>Company 2020 £</b>
Trade creditors	2,602,351	4,263,668	47,274	202,141
Corporation tax	160,552	1,382,667	104,101	198,495
Other taxation and social security	1,428,741	782,048	326,518	297,077
Other creditors	19,234	104,258	-	90,000
Accruals and deferred income	9,648,460	6,782,284	1,501,027	1,318,848
	<u>13,859,338</u>	<u>13,314,925</u>	<u>1,978,920</u>	<u>2,106,561</u>

**19. Deferred taxation**

**Group**

	<b>2021 £</b>	<b>2020 £</b>
<b>At 1 October 2020</b>	1,097,713	1,073,692
Charged to the consolidated profit and loss account	472,174	24,021
<b>At 30 September 2021</b>	<u>1,569,887</u>	<u>1,097,713</u>

**Company**

	<b>2021 £</b>	<b>2020 £</b>
<b>At 1 October 2020</b>	894,123	785,504
Charged to the profit and loss account	341,051	108,619
<b>At 30 September 2021</b>	<u>1,235,174</u>	<u>894,123</u>

The provision for deferred taxation is made up as follows:

	<b>Group 2021 £</b>	<b>Group 2020 £</b>	<b>Company 2021 £</b>	<b>Company 2020 £</b>
Fixed asset timing differences	687,419	515,359	495,726	368,594
Short term timing differences	(30,593)	(24,931)	(13,593)	(5,931)
Capital gains	913,061	607,285	753,041	531,460
	<u>1,569,887</u>	<u>1,097,713</u>	<u>1,235,174</u>	<u>894,123</u>

**A.C. LLOYD (ASSET MANAGEMENT) LIMITED**

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

**20. Share capital**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Allotted, called up and fully paid</b>		
23,401,500 Ordinary shares of £1 each	23,401,500	23,401,500

**21. 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.

**22. Operating leases: lessee**

At 30 September 2021 the group and the company had future minimum lease payments under non-cancellable operating leases as follows:

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Not later than 1 year	5,364	7,069	5,364	7,069
Later than 1 year and not later than 5 years	1,341	6,705	1,341	6,705
	<u>6,705</u>	<u>13,774</u>	<u>6,705</u>	<u>13,774</u>

**23. Operating leases: lessor**

At 30 September 2021 the group and the company had future minimum lease amounts receivable due under noncancellable operating leases for each of the following periods:

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Not later than 1 year	2,330,379	2,723,924	1,865,485	2,102,266
Later than 1 year not later than 5 years	5,305,494	6,394,811	4,665,808	5,535,622
Later than 5 years	12,710,719	14,466,512	12,710,719	14,466,512
	<u>20,346,592</u>	<u>23,585,247</u>	<u>19,242,012</u>	<u>22,104,400</u>

**A.C. LLOYD (ASSET MANAGEMENT) LIMITED**

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

**24. Related party transactions**

Remuneration of key management personnel, including directors during the year totalled £2,125,109 (2020: £1,649,810).

During the year close family members of directors (prior year: close family members of shareholders) purchased houses totalling £282,083 (2020: £366,714). The transactions are considered to be on an arm's length basis.

During the year some of the directors who are also shareholders of the group received dividends of £3,482,407 (2020: £2,373,733).

**25. Controlling party**

The directors consider there to be no overall controlling party.