

Registered number: SC106596

JOHN CLARK (PROPERTIES) LIMITED

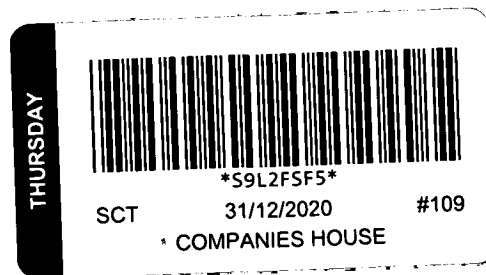
ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

COMPANIES HOUSE

31 DEC 2020

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JOHN CLARK (PROPERTIES) LIMITED

CORPORATE INFORMATION

Directors	J H S Clark C J Clark J K Murray
Company secretary	A McIntosh
Registration number	SC106596
Registered office	Alliance Centre Greenwell Road East Tullos Industrial Estate Aberdeen AB12 3AX United Kingdom
Auditor	Ernst & Young LLP G1, 5 George Square Glasgow G2 1DY

JOHN CLARK (PROPERTIES) LIMITED

CONTENTS

	Pages
Directors' Report	1 to 3
Independent Auditor's Report	4 to 6
Statement of Comprehensive Income	7
Statement of Financial Position	8
Statement of Changes in Equity	9
Notes to the financial statements	10 to 16

JOHN CLARK (PROPERTIES) LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019**

The Directors present their report and the financial statements for the year ended 31 December 2019.

Principal activities

The company continues to own a portfolio of freehold and long leasehold properties which were previously owned by its parent company or fellow wholly owned subsidiaries thereof.

Overview of performance

The profit for the year, before taxation, amounted to £553,606 (2018: £546,458). This included property valuation uplift income of £Nil (2018: £Nil) following the Board of Directors annual review, including consideration of professional advisor views & relevant changes in the marketplace.

A freehold in Dundee that saw build works completed in 2018 was sold in September 2019, when a freehold in Perth was then acquired. Commercial terms leases are held with the occupiers of our retained properties, all of whom are fellow wholly owned motor trade subsidiaries of our common parent company.

No dividends were paid in the year (2018: £Nil).

Directors

The Directors who served during the year were:

J H S Clark
C J Clark
J K Murray

Post year-end events

Our development of another new build prestige franchise dealership on a Dundee freehold has been progressed. Despite Coronavirus pandemic driven lockdown restrictions, this investment should be completed in January 2021. This project has been funded via support from our parent company, which itself has secured term loan support from the directly associated finance house partner.

The company has seen no direct use of any UK government initiatives which have been deployed as economic support for businesses facing Coronavirus pandemic driven lockdown restrictions.

Full disclosure of measures and impact for the Group have been included in the Strategic Report of John Clark (Holdings) Limited.

JOHN CLARK (PROPERTIES) LIMITED

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

Directors' responsibilities statement

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 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 and profit or loss of the company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal risks and uncertainties

The Directors recognise the UK wide background of ongoing political uncertainty, which is leading to reduced consumer confidence. The risks of both inadequate or excess operational resources and the availability of appropriate working capital are recognised and closely monitored across the group, divisional and dealership management and finance teams, all of whom are tasked with ensuring appropriate balance within the business.

To best ensure financial liquidity, the group of which the company is a part maintains a mixture of long-term and short-term debt finance that is designed to ensure that the company has sufficient available funds for its operations. Daily, weekly and monthly key information reports are collated and reviewed. Regular financial updates are provided to our banking and finance house funding partners, all of which continue to support the group.

The risk on interest rate changes on our borrowing is also noted and monitored. The group of which the company is a part has both interest bearing assets and liabilities. The interest bearing assets only include cash balances. The group no longer holds bank loan interest swap hedging instruments. The Directors believe this to be appropriate for the foreseeable needs of the business.

JOHN CLARK (PROPERTIES) LIMITED

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

Future prospects

The company continues to operate as in 2019 and to again generate positive trading results in 2020.

Going Concern

The company's business activities, together with the factors likely to affect its financial position and its exposure to credit and liquidity rate risk is described in this Directors' Report.

As part of the John Clark Holdings group ('the Group'), the company has access to financial resources as required. The Group has confirmed that it will ensure that sufficient funds are available so that the company can continue to meet its obligations for a period of at least 12 months from the date of approval of the financial statements. Based on this undertaking the Directors believe that it remains appropriate to prepare the financial statements on a going concern basis.

Disclosure of information to auditor

The Directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

Ernst and Young LLP were appointed as auditor to the company during the period and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a general meeting.

Small companies note

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006

This report was approved by the board on 24 December 2020 and signed on its behalf.



C J Clark
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JOHN CLARK (PROPERTIES) LIMITED

Opinion

We have audited the financial statements of John Clark Properties Limited ('the Company') for the year ended 31 December 2019 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and notes to the financial statements, including the summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the Company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Emphasis of matter - Effects of COVID-19

We draw attention to note 19 of the financial statement, which describes the economic and social consequences the Company is facing as a result of COVID-19. Our opinion is not modified in respect of this matter.

Conclusions relating to going concern

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

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

Other information

The 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JOHN CLARK (PROPERTIES) LIMITED (CONTINUED)

Other information (Continued)

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

Based solely on the work undertaken in the course of the audit, we report that:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has 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 Company and its environment obtained in the course of the audit, we have not identified material misstatements in 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 or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement set out on page 2, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JOHN CLARK (PROPERTIES) LIMITED (CONTINUED)

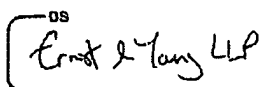
Auditor's responsibilities for the audit of the financial statements

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 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 <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's 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.

^{DS}
A handwritten signature in black ink, appearing to read 'Paul Copland', is enclosed within a rectangular box. Above the signature, the letters 'DS' are printed.

Paul Copland (Senior Statutory Auditor)
for and on behalf of
Ernst & Young Chartered Accountants and Statutory Audit Firm

Date: 24 December 2020

JOHN CLARK (PROPERTIES) LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Notes	2019 £	2018 £
Turnover		<u>1,688,828</u>	<u>1,736,285</u>
Gross profit		1,688,828	1,736,285
Administrative expenses		(453,424)	(418,759)
Profit on sale of fixed assets		207,967	-
Operating Profit		<u>1,443,371</u>	<u>1,317,526</u>
Interest payable and expenses	6	<u>(889,765)</u>	<u>(771,068)</u>
Profit before tax		553,606	546,458
Tax credit/(charge) on profit	7	624,991	(93,548)
Profit for the financial year		<u><u>1,178,597</u></u>	<u><u>452,910</u></u>

There was no other comprehensive income for 2019 (2018: £Nil)

All results relate to continued operations.

The notes on pages 10 to 16 form part of these financial statements.

JOHN CLARK (PROPERTIES) LIMITED
REGISTERED NUMBER:SC106596

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Notes	2019 £	2018 £
Fixed assets			
Investment property	8	<u>28,706,245</u>	<u>29,974,723</u>
Current assets			
Debtors: amounts falling due within one year	9	-	100
Total current assets		-	100
Creditors: amounts falling due within one year	10	(25,871,212)	(27,590,897)
Net current liabilities		<u>(25,871,212)</u>	<u>(27,590,797)</u>
Total assets less current liabilities		<u>2,835,033</u>	<u>2,383,926</u>
Provisions for liabilities			
Deferred tax	13	(204,000)	(931,490)
Net assets		<u>2,631,033</u>	<u>1,452,436</u>
Capital and reserves			
Called up share capital	14	100	100
Profit and loss account	15	2,630,933	1,452,336
Total equity		<u>2,631,033</u>	<u>1,452,436</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 24 December 2020.



C J Clark
Director

The notes and accounting policies on pages 10 to 16 form part of these financial statements.

JOHN CLARK (PROPERTIES) LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	<u>Called up share capital</u> £	<u>Profit and loss account</u> £	<u>Total equity</u> £
At 1 January 2019	100	1,452,336	1,452,436
Profit for the year	-	1,178,597	1,178,597
At 31 December 2019	<u>100</u>	<u>2,630,933</u>	<u>2,831,033</u>

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

	<u>Called up share capital</u> £	<u>Profit and loss account</u> £	<u>Total equity</u> £
At 1 January 2018	100	999,426	999,526
Profit for the year	-	452,910	452,910
At 31 December 2018	<u>100</u>	<u>1,452,336</u>	<u>1,452,436</u>

JOHN CLARK (PROPERTIES) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

1 General information

John Clark (Properties) Limited is a private company limited by shares and registered in Scotland. Registered number SC106596. Its registered head office is located at Alliance Centre Greenwell Road, East Tullos Industrial Estate, Aberdeen, AB12 3AX. The principal activity of the company is the rental of owned properties.

2 Accounting policies**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK 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 management to exercise judgment in applying the company's accounting policies (see note 3).

As part of the John Clark Holdings group ('the Group'), the company has access to financial resources as required. The Group has confirmed that it will ensure that sufficient funds are available so that the company can continue to meet its obligations for a period of at least 12 months from the date of approval of the financial statements. Based on this undertaking the Directors believe that it remains appropriate to prepare the financial statements on a going concern basis.

The financial statements have been prepared in Sterling (£) as the functional currency.

2.2 Revenue

Revenue, which is wholly attributable to the company's principal activities and is derived entirely in the United Kingdom, represents rental and management income received on the leasing of property. Revenue is recognised over the lease term of the lease.

2.3 Investment property

Investment property is carried at fair value determined annually by management and external valuers and 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 Statement of Comprehensive Income.

2.4 Debtors

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

JOHN CLARK (PROPERTIES) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2 Accounting policies (Continued)**2.5 Creditors**

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

2.6 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount.

2.7 Current and deferred taxation

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

2.8 Financial instruments

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

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

JOHN CLARK (PROPERTIES) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2 Accounting policies (Continued)**2.8 Financial instruments (continued)**

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

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

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

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

Certain judgements are applied in the preparation of the statutory accounts, with the company following a group standard policy on property valuation. As per note 2.3 regarding investment property, property valuation is reviewed annually with consideration to current market conditions and adjusted through the Statement of Comprehensive Income as applicable.

4 Auditor's remuneration

No auditors' remuneration has been expensed in the company's financial statements. This cost has been borne by the other group companies.

5 Employees

The company has no employees other than the Directors, who did not receive any remuneration in the year (2018 £Nil).

JOHN CLARK (PROPERTIES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**6 Interest payable and similar expenses**

	2019	2018
	£	£
Interest payable to group undertakings	<u>889,765</u>	<u>771,068</u>

7 Taxation

	2019	2018
	£	£
Corporation tax		
Current tax on profits for the year	92,184	55,209
Adjustments in respect of previous periods	<u>10,315</u>	<u>-</u>
Total current tax	<u>102,499</u>	<u>55,209</u>
Deferred tax		
Origination and reversal of timing differences	(27,615)	38,339
Adjustments in respect of previous periods	<u>(699,875)</u>	<u>-</u>
Total deferred tax	<u>(727,490)</u>	<u>38,339</u>
Taxation (credit)/charge on profit on ordinary activities	<u>(624,991)</u>	<u>93,548</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2018: lower than) the standard rate of corporation tax in the UK of 19% (2018: 19%). The differences are explained below:

	2019	2018
	£	£
Profit on ordinary activities before tax	<u>553,606</u>	<u>546,458</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018: 19%)	105,185	103,828
Effects of:		
Fixed assets timing differences	(44,600)	(5,769)
Rate Changes	3,249	(4,511)
Expenses not deductible	735	-
Adjustments from previous periods	<u>(689,560)</u>	<u>-</u>
Total tax charge for the year	<u>(624,991)</u>	<u>93,548</u>

The Company has recognised deferred tax at a rate of 17%. Corporation tax rates of 19% (from 1 April 2018) and 17% from (1 April 2020) have been substantively enacted and the recognised balances have been remeasured accordingly.

Factors that may affect future tax charges

The UK corporation tax rate was due to reduce from 19% to 17% from 1 April 2020. This change has been substantively enacted at the balance sheet date, and therefore the deferred tax assets and liabilities at 31 December 2019 have been measured using the rates that apply in the periods when the underlying timing differences, on which deferred tax is recognised are expected to unwind.

JOHN CLARK (PROPERTIES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

8 Investment Property	Owned Investment property £
Valuation	
At 1 January 2019	29,974,723
Additions at cost	4,128,241
Disposals	(5,396,719)
At 31 December 2019	<u>28,706,245</u>

The 2019 valuations were made by Directors, on an open market value for existing use basis.

	2019 £	2018 £
Historic cost	<u>27,506,245</u>	<u>28,774,723</u>
9 Debtors	2019 £	2018 £
Called up share capital not paid	<u>-</u>	<u>100</u>
10 Creditors: Amounts falling due within one year	2019 £	2018 £
Amounts owed to group undertakings	25,779,028	27,535,688
Corporation tax	92,184	55,209
	<u>25,871,212</u>	<u>27,590,897</u>

11 Contingent liabilities

The company has issued guarantees with certain other group companies in connection with bank facilities and stocking loan facilities received by the group. The total of the balances covered by guarantees at 31 December 2019 was £10,800,770 (2018: £5,978,359) and £69,983,986 (2018: £57,781,805) respectively.

12 Financial instruments	2019 £	2018 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	<u>-</u>	<u>100</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(25,779,028)</u>	<u>(27,535,688)</u>

Financial assets that are debt instruments at amortised cost comprise wholly of amounts owed by group undertakings.

Financial liabilities measured at amortised cost comprise amounts owed to group undertakings.

JOHN CLARK (PROPERTIES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

13 Deferred taxation	2019	2018
	£	£
At beginning of year	931,490	893,151
(Credited)/Charged to profit or loss	(727,490)	38,339
At year end	<u>204,000</u>	<u>931,490</u>

The provision for deferred taxation is made up as follows:

	2019	2018
	£	£
Fixed asset timing differences	204,000	931,490
	<u>204,000</u>	<u>931,490</u>

14 Share capital	2019	2018
	£	£
Allotted, called up and fully paid 100 (2018: 100)		
Ordinary shares of £1 each	<u>100</u>	<u>100</u>

15 Reserves**Profit and loss account**

Includes all current and prior period retained profits and losses. Distributable reserve.

16 Commitments under operating leases

At 31 December 2019 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2019	2018
	£	£
Not later than 1 year	452,125	449,125
Later than 1 year and not later than 5 years	1,808,500	1,796,500
Later than 5 years	16,544,279	16,978,404
	<u>18,804,904</u>	<u>19,224,029</u>

17 Related party transactions

Under section 33.1A of FRS 102, the company has taken advantage of the exemption for disclosure of related party transactions between members of a group where subsidiaries are wholly owned.

The board of Directors have considered disclosure of compensation in relation to key management personnel and have concluded this consists of Directors only.

JOHN CLARK (PROPERTIES) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

18 Controlling party

The immediate parent company is John Clark (Holdings) Limited, a company incorporated in Great Britain, registered in Scotland and whose principal place of business is the same as the registered address of the Company. The Directors consider the ultimate controlling party is John H S Clark by virtue of his majority shareholding in the immediate parent company.

The largest group in which the results of the company are consolidated is that headed by John Clark (Holdings) Limited. The consolidated accounts of John Clark (Holdings) Limited are available to the public and may be obtained from the Registrar of Companies, Companies House, 4th Floor, Edinburgh Quay 2, 139 Fountainbridge, Edinburgh, EH3 9FF.

19 Post Balance Sheet Events

On the 11 March 2020, subsequent to the balance sheet date, the World Health Organisation declared Covid-19 as a pandemic. Shortly after this announcement, the UK and Scottish Governments published guidance for individuals and businesses including implementation of social distancing measures and advising people to stay at home including, where possible, working from home. Within the Directors' Report on pages 1 to 3, we provide further details on the key impacts of Covid-19 and our assessment of the impact of the pandemic moving ahead.

The Group performance has remained resilient despite the COVID-19 pandemic. As of the signing date of these financial statements, remote work and other work arrangements have not adversely affected our financial reporting systems, internal control over financial reporting or disclosure controls and procedures. Our capital, financial resources and overall liquidity have been strengthened during the Covid 19 pandemic and they remain robust.

The Directors' conclusion is that although initially the Covid-19 pandemic had a significant effect on the company, mitigating actions coupled with the gradual reopening of the economy mean that Directors consider that Covid-19 is a non-adjusting post balance sheet event and no year end positions have been reconsidered.

Full disclosure of measures and impact for the Group have been included in the Strategic Report of John Clark (Holdings) Limited.