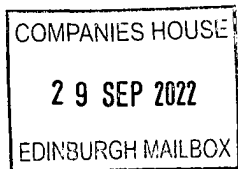


Registered number: SC106596

JOHN CLARK (PROPERTIES) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021



THURSDAY



SBDLP4HT

SCT

29/09/2022

#145

COMPANIES HOUSE

JOHN CLARK (PROPERTIES) LIMITED

CORPORATE INFORMATION

Directors	J H S Clark C J Clark J K Murray (Retired 31 March 2022)
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
Bank	Bank of Scotland 3-5 Albyn Place Aberdeen AB10 1YN

JOHN CLARK (PROPERTIES) LIMITED

CONTENTS

	Pages
Directors' Report	1 to 3
Independent Auditor's Report	4 to 7
Statement of Comprehensive Income	8
Statement of Financial Position	9
Statement of Changes in Equity	10
Notes to the financial statements	11 to 16

JOHN CLARK (PROPERTIES) LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

The Directors present their report and the financial statements for the year ended 31 December 2021

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. Commercial terms leases are held with the occupiers of our properties, all of whom are fellow wholly owned motor trade subsidiaries of our common parent company.

Overview of performance

Our development of a new build BMW and Motorrad franchises dealership on a Dundee freehold was completed in early 2021. A further freehold property in Dundee, which was already let and operated by a fellow wholly owned subsidiary as an Audi franchise dealership, has been acquired. These projects have 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.

The profit for the year, before taxation, amounted to £526,373 (2020 - £168,186). This included a property valuation impairment provision of £(139,000) (2020 - £(200,000)) following the Board of Directors annual review, including consideration of professional advisor views and relevant changes in the marketplace.

No dividends were paid in the year (2020: £Nil).

Directors

The Directors who served during the year were:

J H S Clark

C J Clark

J K Murray (Retired 31 March 2022)

Post year-end events

A further leasehold property in Aberdeen, which was already let and operated by a fellow wholly owned subsidiary as a Renault and Dacia franchises dealership, has been acquired. This project has been funded via support from our parent company.

Build works have commenced at our freehold site at the Newbridge motor village in Edinburgh, which will support the within 2022 relocation of an existing Volvo Cars franchise dealership by a fellow wholly owned subsidiary. This project has been funded via support from our parent company, which itself has secured term loan support from the group's primary banking partners.

The Directors continue to consider further investment plans for other sites in Edinburgh as well as in Stirling and Dundee.

Streamlined Energy and Carbon reporting (SECR)

The Company has taken advantage of the exemption from making individual reports in subsidiary companies by reviewing the SECR regulations at group level and as such further disclosures can be found in the statutory accounts of John Clark (Holdings) Limited.

JOHN CLARK (PROPERTIES) LIMITED

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

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.

Future prospects

The Company continues to operate as in 2021 and to again generate positive trading results in 2022.

Going Concern

The factors likely to affect its financial position and its exposure to credit, liquidity and interest rate risk across the going concern period up to 31 August 2023 are described in the Strategic Report of John Clark (Holdings) Limited, the ultimate parent company.

As part of the John Clark (Holdings) Group ('the Group'), the Company has access to financial resources as required, and the Group has confirmed that it will ensure that sufficient funds are available so that the Company can continue to meet its obligations for the going concern period to 31 August 2023. In reaching their conclusions on going concern, the Company's Directors have considered the assessment performed by the Group. After considering the profitability and cash flow forecasts, including significant but plausible downside sensitivities applied to turnover and profitability, the Directors have concluded that the Group has sufficient resources to continue in operational existence for the going concern assessment period, to 31 August 2023. Based on this undertaking the Directors believe that it remains appropriate to prepare the financial statements on a going concern basis.

Corporate Governance, S172 of the Companies Act 2006, Opportunity and Risk

The Company is governed by its corporate officers, who are also members of the Operations Board of the immediate parent company, John Clark (Holdings) Limited. The accounts of this company reflect due disclosure on Corporate Governance and Companies Act S172, plus Opportunity and Risk.

The corporate officers of John Clark (Properties) Limited have considered these disclosures and confirmed them as accurate as regards their own approach, views and actions on these matters.

JOHN CLARK (PROPERTIES) LIMITED

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

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

The auditor, Ernst and Young LLP will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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 15 August 2022 and signed on its behalf.



C J Clark
Director

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

Opinion

We have audited the financial statements of John Clark (Properties) Limited ('the Company') for the year ended 31 December 2021 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and notes 1 to 18 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 affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period to 31 August 2023 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. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JOHN CLARK (PROPERTIES) LTD (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 this 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 there is 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 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

In our opinion, based 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.
- the directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

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) LTD (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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS 102 and Companies Act 2006) and the relevant tax compliance regulations.
- We understood how the company is complying with those frameworks by making enquiries of management and those responsible for legal and compliance. We corroborated our enquires through reading the board minutes, and we noted that there was no contradictory evidence.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by meeting with management within various parts of the business to understand where they considered there was susceptibility to fraud. We also considered performance targets and their influence on efforts made by management to manage earnings or influence the perceptions of stakeholders. Where this risk was considered higher, we performed audit procedures to address the fraud risk. These procedures included testing manual journals and were designed to provide reasonable assurance that the financial statements were free from fraud or error.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved reading board minutes to identify any non-compliance with laws and regulations; enquiries of management and journal testing, as outlined above.

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.

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

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.

A handwritten signature in black ink, appearing to read 'Paul Copland', followed by the letters 'EY' and 'CP'.

Paul Copland (Senior Statutory Auditor)

for and on behalf of

Ernst & Young LLP

Statutory Auditors, Edinburgh

Date: 19 August 2022

JOHN CLARK (PROPERTIES) LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	2021 £	2020 £
Turnover		2,750,780	1,977,441
Gross profit		2,750,780	1,977,441
Administrative expenses		(1,077,412)	(709,222)
Impairment		(139,000)	(200,000)
Operating Profit		1,534,368	1,068,219
Finance costs	6	(1,007,995)	(900,033)
Profit before tax		526,373	168,186
Tax charge on profit	7	(306,533)	(60,306)
Profit for the financial year		219,840	107,880

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

All results relate to continued operations.

The notes on pages 11 to 16 form part of these financial statements.

JOHN CLARK (PROPERTIES) LIMITED
REGISTERED NUMBER: SC106596

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Notes	2021 £	2020 £
Fixed assets			
Investment property	8	41,660,534	36,810,206
Creditors: amounts falling due within one year	9	(38,146,855)	(33,843,293)
Net current liabilities		(38,146,855)	(33,843,293)
Total assets less current liabilities		3,513,679	2,966,913
Provisions for liabilities			
Deferred tax	12	(554,926)	(228,000)
Net assets		2,958,753	2,738,913
Capital and reserves			
Called up share capital	13	100	100
Profit and loss account	14	2,958,653	2,738,813
Total equity		2,958,753	2,738,913

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 15 August 2022.



C J Clark
 Director

The notes and accounting policies on pages 11 to 16 form part of these financial statements.

JOHN CLARK (PROPERTIES) LIMITED

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

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2021	100	2,738,813	2,738,913
Profit for the year	-	219,840	219,840
At 31 December 2021	100	2,958,653	2,958,753

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2020	100	2,630,933	2,631,033
Profit for the year	-	107,880	107,880
At 31 December 2020	100	2,738,813	2,738,913

JOHN CLARK (PROPERTIES) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

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).

The factors likely to affect its financial position and its exposure to credit, liquidity and interest rate risk across the going concern period up to 31 August 2023 are described in the Strategic Report of John Clark (Holdings) Limited, the ultimate parent company.

As part of the John Clark (Holdings) Group ('the Group'), the Company has access to financial resources as required, and the Group has confirmed that it will ensure that sufficient funds are available so that the Company can continue to meet its obligations for the going concern period to 31 August 2023. In reaching their conclusions on going concern, the Company's Directors have considered the assessment performed by the Group. After considering the profitability and cash flow forecasts, including significant but plausible downside sensitives applied to turnover and profitability, the Directors have concluded that the Group has sufficient resources to continue in operational existence for the going concern assessment period, to 31 August 2023. 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 Properties for resale

Properties held for resale represent costs associated with property development projects being undertaken by the company. Costs include the purchase cost of associated land, direct materials and labour related to development activities plus attributable overheads. At each reporting date, inventories are assessed for impairment. If inventories are impaired, the carrying amount is reduced to its selling price less costs to complete and sell, with any impairment loss recognised immediately in the Statement of Comprehensive Income.

JOHN CLARK (PROPERTIES) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

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

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

2.6 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.

2.7 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.

2.8 Current and deferred taxation

The tax 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.

2.9 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 2021**

2 Accounting policies (Continued)**2.9 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 (2020 £Nil).

JOHN CLARK (PROPERTIES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**6 Finance costs**

	2021	2020
	£	£
Interest to group undertakings	<u>1,007,995</u>	<u>900,033</u>

7 Taxation

	2021	2020
	£	£
Corporation tax		
Current tax on profits for the year	160,231	31,955
Adjustments in respect of previous periods	<u>(31,955)</u>	<u>4,351</u>
	128,276	36,306
Group taxation relief in respect of prior periods	<u>(148,669)</u>	<u>-</u>
Total current tax	<u>(20,393)</u>	<u>36,306</u>
Deferred tax		
Origination and reversal of timing differences	108,302	24,000
Adjustments in respect of previous periods	<u>218,624</u>	<u>-</u>
Total deferred tax	<u>326,926</u>	<u>24,000</u>
Taxation charge on profit on ordinary activities	<u>306,533</u>	<u>60,306</u>

Factors affecting tax charge for the year

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

	2021	2020
	£	£
Profit on ordinary activities before tax	<u>526,373</u>	<u>168,186</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	100,011	31,955
Effects of:		
Rate Changes	133,182	24,000
Expenses not deductible	35,340	-
Adjustments from previous periods	<u>38,000</u>	<u>4,351</u>
Total tax charge for the year	<u>306,533</u>	<u>60,306</u>

Factors that may affect future tax charges

The UK Budget 2021 announcements on 3 March 2021 included measures to support economic recovery as a result of the ongoing COVID-19 pandemic. These included an increase to the UK's main corporation tax rate to 25%, which is due to be effective from 1 April 2023. These changes were therefore substantively enacted at the date of the statement of financial position, hence have been reflected in the measurement of deferred taxes balance which has been recognised at 25% (2020 – 19%) at the period end date. These changes saw a £133,182 deferred tax charge in the period.

JOHN CLARK (PROPERTIES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**8 Investment Property**

	Owned investment property	Assets under Construction	Impairment Provision	Total
Valuation	£	£	£	£
At 1 January 2021	29,149,647	7,860,559	(200,000)	36,810,206
Additions at cost	2,369,687	2,619,641	(139,000)	4,850,328
Transfer	7,860,559	(7,860,559)	-	-
At 31 December 2021	39,379,893	2,619,641	(339,000)	41,660,534

The 2021 valuations were made by Directors, on an open market value for existing use basis.

	2021	2020
	£	£
Historic cost	40,799,534	35,810,206

9 Creditors: Amounts falling due within one year

	2021	2020
	£	£
Amounts owed to group undertakings	37,986,624	33,714,803
Corporation tax	160,231	128,490
	38,146,855	33,843,293

10 Guarantees

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 2021 was £nil (2020: £nil) and £69,248,681 (2020: £56,348,771) respectively.

11 Financial instruments

	2021	2020
	£	£
Financial assets		
Financial assets that are measured at amortised cost	-	-
Financial liabilities		
Financial liabilities measured at amortised cost	(37,986,624)	(33,714,803)

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.

12 Deferred taxation

	2021	2020
	£	£
At beginning of year	228,000	204,000
Charged to profit or loss	326,926	24,000
At year end	554,926	228,000

The provision for deferred taxation is made up as follows:

	2021	2020
	£	£
Fixed asset timing differences	554,926	228,000

JOHN CLARK (PROPERTIES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

13 Share capital	2021	2020
	£	£
Allotted, called up and fully paid 100 (2020: 100)		
Ordinary shares of £1 each	<u>100</u>	<u>100</u>

14 Reserves

Profit and loss account

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

15 Commitments under operating leases

At 31 December 2021 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2021	2020
	£	£
Not later than 1 year	452,125	452,125
Later than 1 year and not later than 5 years	1,808,500	1,808,500
Later than 5 years	<u>15,640,029</u>	<u>16,092,154</u>
	<u>17,900,654</u>	<u>18,352,779</u>

16 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.

17 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.

18 Post Balance Sheet Events

A further leasehold property in Aberdeen, which was already let and operated by a fellow wholly owned subsidiary as a Renault and Dacia franchises dealership, has been acquired. This project has been funded via support from our parent company.

Build works have commenced at our freehold site at the Newbridge motor village in Edinburgh, which will support the within 2022 relocation of an existing Volvo Cars franchise dealership by a fellow wholly owned subsidiary. This project has been funded via support from our parent company, which itself has secured term loan support from the group's primary banking partners.

The Directors continue to consider further investment plans for other sites in Edinburgh as well as in Stirling and Dundee.