

# TAYLOR CLARK LIMITED

## Annual Report 2020

**Front cover**

This year's front cover features a self-portrait drawing by George Richmond (1809-1896), in pen and brown ink with touches of pink wash. The artist lived at 20 York Street now the Company's head office from 1843 to 1896. The drawing was purchased for the Company by Colin Clark who sadly passed away this year. Colin had been responsible for assembling the Company's Art collection over many years.

# Annual report

for the year ended 31 March 2020

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## Directors and advisers

<b>Directors</b>	<b>*Richard Bennison</b> <i>FCA Chairman</i> <b>Caroline Madelin</b> <i>ACMA Managing Director</i> <b>*Briony Wilson</b> (appointed 1 June 2019) <b>*Andrew Clark</b> (appointed 1 June 2019, resigned 30 November 2020) <b>*Reg Harvey</b> (resigned 15 July 2020) <b>*Graeme Coulthard</b> (appointed 15 July 2020)  <b>*Non-executive</b>
<b>Secretary</b>	<b>Michele Judge</b> ACMA
<b>Consultant</b>	<b>Robin Clark</b> OBE FCA Hon FRCSLT
<b>Registered Office</b>	20 York Street London W1U 6PU Telephone: 020 7486 0100 Fax: 020 7224 0384 Email: <a href="mailto:mail@taylorclark.co.uk">mail@taylorclark.co.uk</a>
<b>Auditor</b>	KPMG LLP
<b>Bankers</b>	Clydesdale Bank C Hoare & Co
<b>Registered number</b>	00340727
<b>Date of Incorporation</b>	27 May 1938

# Strategic report

The directors present their Strategic report for the year ended 31 March 2020.

## In memory

The Board remembers Colin Clark who sadly passed away this year. Colin served as a director of the Company for many years before retiring in 1995 but remained a hugely supportive shareholder. He was responsible for curating the Company's art collection, as he had a great passion for the arts and personally supported many independent organisations in this area through his philanthropy. The Board is eternally grateful for the contribution Colin made to the Company. He will be greatly missed.

## Covid-19

The Covid-19 pandemic has now been ongoing across the world since January 2020 and has been declared by the World Health Organization as a Public Health Emergency of International Concern. The pandemic has had devastating impacts on human life and societies, including local, regional and global economies. Despite the recent announcement of vaccines in the pipeline, current economic and market conditions brought on by the outbreak have triggered a global economic slowdown, the extent and severity of which is difficult to predict in the medium to longer term.

Unsurprisingly, this introduces a high degree of uncertainty and risk to the Company's investments in property and the financial markets, which in turn might affect their ability to produce income and preserve capital. The Board continues to monitor the situation closely.

## Group activities

The activities of the Group comprise investments in financial markets and property.

## Strategy

The strategy of the Company endures: investing to deliver long-term capital growth and paying regular dividends to shareholders.

As an investment company for family shareholders, the Company is able to take a medium to long term view of investments. The Board aims to participate in gains resulting from rising markets balanced by a defensive element to the portfolio that should provide some protection if markets fall. Just as significant is the ability of the Company to take advantage of opportunities as they arise, which it is well placed to do. The Board believes this approach should result in long-term returns outperforming the market as a whole.

## Brexit

The Directors have assessed that the decision of the UK to leave the EU and the lack of clarity on the terms of the future relationship between the UK and the EU might cause a further uncertainty in the capital prices of UK properties which could have an impact on the value of the investment properties held by the Company. The values of the equity investments held by the Company are not expected to be significantly affected.

## Group results

The Group net asset value decreased from £193.9m at 31 March 2019 to £186.8m at 31 of March 2020. Adding back £1.3m of dividends paid to shareholders during the year, the decrease was £5.8m, which represents a decrease of 3.0% on the opening net assets. The majority of the decrease is attributable to losses in value of the financial investments in March

# Strategic report

continued

2020, due to market uncertainty as a result of Covid-19. This was compounded by worldwide lockdowns introduced during that period, which significantly slowed economic activity. The change in net asset value (before distributions to shareholders) remains the main performance indicator used by the Board.

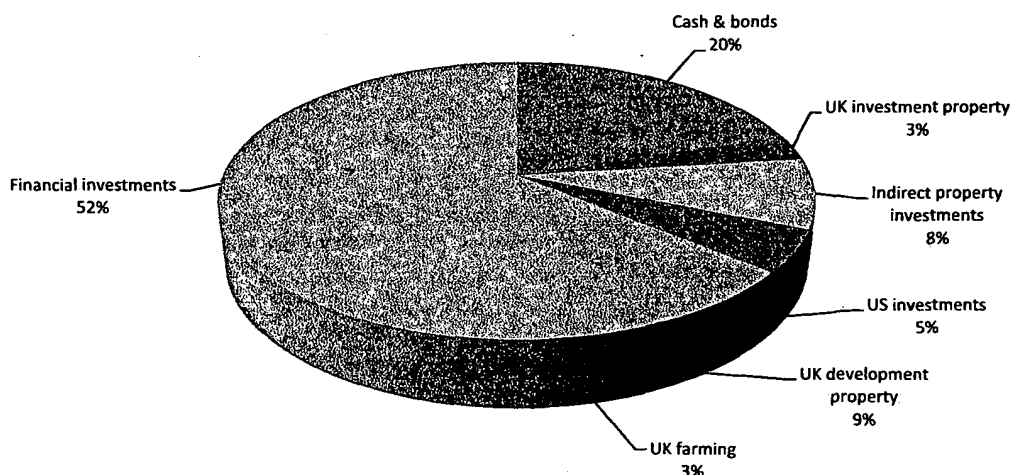
In the 6 months following 31 March 2020 Group net assets have returned to levels seen in the prior year. Although this is encouraging, the Board is mindful that the pandemic is far from over. It does however feel that there is opportunity to capitalise on potential market volatility and has put measures in place to do so.

A comparison of the returns over the last 5 years with the ARC Sterling Balanced Asset benchmark for a balanced asset portfolio, as well as other relevant indices, is shown in the tables below. These show that the returns achieved by the Company in the last 12 months to 31 March 2020 compare favourably with the benchmark, a trend repeated when looked at over the longer term:

<b>Compound Average Return</b>	<b>1 year</b>	<b>3 years</b>	<b>5 years</b>
	31 March 2020	31 March 2018	31 March 2016
Taylor Clark Limited	(3.0%)	0.9%	2.7%
ARC Sterling Balanced Asset	(5.4%)	(0.6%)	1.4%
FTSE All-Share Index Total Return	(18.5%)	(4.2%)	0.6%
FTSE All-Share Index	(21.9%)	(8.0%)	(3.2%)
Consumer Price Index	1.5%	2.0%	1.8%
Cash (BoE Base Rate)	0.1%	0.4%	0.4%

<b>Annualised Return</b>	31 March 2020	31 March 2019	31 March 2018	31 March 2017	31 March 2016
Taylor Clark Limited	(3.0%)	3.5%	2.4%	8.9%	2.2%
ARC Sterling Balanced Asset	(5.4%)	3.0%	0.8%	11.5%	(2.1%)
FTSE All-Share Index Total Return	(18.5%)	6.4%	1.2%	22.0%	(3.9%)
FTSE All-Share Index	(21.9%)	2.2%	(2.4%)	17.5%	(7.3%)
Consumer Price Index	1.5%	1.9%	2.5%	2.3%	0.8%
Cash (BoE Base Rate)	0.1%	0.8%	0.5%	0.3%	0.5%

The Group asset allocation without commitments at market value as of the 31 March 2020 can be seen below:



#### Quoted financial investments

The Group has a spread of financial investments composed of:

- equity funds (investment trusts and unit trusts)
- absolute return funds
- hedge funds.

Investment performance, both in absolute terms and relative to the market, is regularly reviewed and adjustments are made to the portfolio when necessary.

As of the 31 March 2020, the market value of these investments was £97.1m (2019: £115.1m) and represented 52% (2019: 59%) of Group net assets. The local, regional and global responses to the Covid-19 outbreak have caused material disruptions to businesses around the world, leading to an economic slowdown. Global equity markets have experienced significant volatility and weakness. As of the 31 March 2020, the fair value of the Group's investments had declined significantly. While governments and central banks have reacted with monetary interventions designed to stabilise economic conditions, the duration and extent of the impact of the Covid-19 outbreak, as well as the effectiveness of these responses, remains uncertain.

The Board monitors the performance of individual investment managers on a regular basis. Reasons for withdrawing funds from a manager would include loss of confidence in their investment strategy or in their ability to execute that strategy. Short term underperformance would not be a reason in itself.

During the year, 2 funds were sold due to loss of confidence in their managers and a further 2 were sold due to changes in their management teams. Proceeds of £14.1m were realised from these sales. In January 2020, £6.8m was received from the exit of a listed property fund

# Strategic report

continued

that was subject to a takeover and in February 2020 a predominately US-focused equity fund with significant gains was top-sliced, realising proceeds of £5m. £12.2m of these proceeds were reinvested in 5 new funds focusing on the UK, Europe and Asia.

Following the end of the year the Board reviewed the way in which it manages the Group's financial investments. Historically investments have been made in individual funds based on professional advice. For the future the Board decided to appoint two investment managers to manage the portfolio on a discretionary basis within an agreed risk appetite. The two managers are Cazenove and Credit Suisse. The Company will retain Investec on an advisory basis to hold a small number of investments. The transition to the new managers will take place over the coming months.

## Assets held in the USA

The net book value of the assets held in the US as of the 31 March 2020 was £8.5m (2019: £9.7m), representing 5% (2019: 5%) of Group net assets.

Over the year, the US dollar gained 4.8% against sterling resulting in net unrealised gains of £0.5m.

Our New York property investments, which have significant exposure to the residential rental market, have been adversely impacted by the Covid-19 outbreak, with many New York residents leaving the City, many of which are yet to return. As a result, provisions of £3.3m have been recognised, bringing their carrying down value down to £5.4m (2019: £8.7m).

## Direct property investment and joint ventures

In line with the Scottish Government's Covid-19 restrictions on construction sites, work at the Atlantic Square development site in Glasgow was stopped in March. With the restrictions being slowly lifted in June 2020, work on site recommenced, albeit at reduced capacity and has recently been delayed due to further outbreaks of Covid-19 on the site. As a result, the revised completion date is currently estimated to be April 2021 but remains dependent on no further restrictions being imposed as the months progress. Building 1 was forward sold to Legal and General in January 2018. Building 2 of c. 96,000 sq. ft is being marketed to potential tenants.

Our residential investment at 20 York Street has also suffered from the effects of Covid-19 on universities and foreign workers, resulting in 50% of the flats being vacated at the start of the outbreak, as tenants returned to their home countries. The local rental market, which is highly dependent on foreign students and workers, remains weak and intrinsically linked to the local universities and businesses returning to some kind of normality. Rents have been appropriately adjusted to reflect this when being marketed and I am pleased to report that since 31 March 2020 we have re-let all our vacant flats except for one.

## Investment in unquoted property funds

The Group is invested in several unquoted property funds. These give access to a range of different managers and a chance to participate in investments that would be too big for the Group to undertake on its own. The investments made by these funds are in the UK, US and Western Europe.



The various funds have had mixed results in relation to Covid-19. Our European property funds with large shopping centres in Europe have been negatively affected, however the UK based funds with small retail parks containing supermarkets and DIY stores have done well, benefitting from these outlets remaining open during lockdown. At this point in time it is hard to determine the long-term effects of Covid-19 on performance, but as of the 31 March, the Group has made provisions of £2.4m against these funds.

During the year the Group committed £5.0m to a new fund in the care sector.

The Group received income distributions totalling £0.2m (2019: £2.1m) which are included within other operating income in the profit and loss account. In addition, the Group received capital distributions of £1.4m (2019: £0.3m) and made further investments of £10.5m (2019: £8.3m).

As of the 31 March 2020, total commitments were £47.6m (2019: £40.0m), of which £29.4m (2019: £22.5m) is outstanding.

#### Cash and borrowings

As of the 31 March 2020, the Group held sterling and US dollar bank balances totalling £40.8m (2019: £38.5m) and there were no bank borrowings. The majority of the sterling and US dollar funds are currently placed with Clydesdale Bank.

#### Principal risks

The principal risks the Company faces are linked to the portfolio of financial investments and are common to any portfolio of equity investments and cash. These risks include valuation/market price risk, currency risk, liquidity risk and the risk that the third-party managers with whom funds have been invested do not perform as expected.

In order to manage financial investment risk, the Board sets limits on the funds allocated to particular activities. The allocation and the underlying investments are reviewed at four Board meetings a year. The Board also maintains regular contact with fund and property managers.

#### Future developments

As the Group looks ahead it must be realistic about the current global economic environment created by Covid-19. The long-term effects of the virus are unknown, and we must take care when considering our next steps and investment choices. We are however grateful to be in a robust financial position and as such are well placed to take advantage of any opportunities that may arise.

By order of the Board,

Caroline Madelin  
Managing Director



23 December 2020

## Directors' report

### Dividends

The Directors have proposed a final dividend in respect of the current financial year of 10.5100 pence per Ordinary A Share and 11.6490 per Ordinary B Share. This has not been included within creditors as it was not approved before the year end.

Dividends paid during the year comprise a final dividend of 10.2700 pence per Ordinary A Share and 11.2970 pence per Ordinary B Share in respect of the previous year ended 31 March 2019, together with an interim dividend in respect of the year ended 31 March 2020 of 7.4100 pence per Ordinary A Share and 8.1510 pence per Ordinary B Share.

### Directors

The Directors in office throughout the year and at the date of this report are set out on page 2. After serving as a Director for 30 years, Reg Harvey retired on 15 July 2020. The Board is immensely grateful to Reg for his contribution over the years and he will be sorely missed. Graeme Coulthard was appointed non-executive Director of the Company on 15 July 2020. Graeme joins the Company after a long career in private equity. We were sorry that Andrew Clark decided to step down as a director at the end of November 2020. We will miss Andrew's valuable contribution.

### Directors' indemnity provisions

The Group maintains a Directors and Officers insurance policy which covers the Directors and Officers of the Company against defending a claim made against them in their capacity as a Director or Officer of the Company.

### Political contributions

Neither the Company nor any of its subsidiaries made any political donations or incurred any political expenditure during the year.

### Disclosure of information to auditor

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all the steps that they ought to have taken as Directors to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

### Auditor

KPMG LLP will not be reappointed as auditors of the Company. A new audit firm will be proposed and approved by shareholder resolution at the forthcoming Annual General Meeting.

### Directors' report: statutory and other disclosures

This Directors' report should be read in conjunction with the Strategic report which is deemed to form part of this Directors' report to the extent required by applicable law or regulation.

By order of the board



Caroline Madelin  
Managing Director

20 York Street  
London  
W1U 6PU  
23 December 2020

## Statement of Directors' responsibilities in respect of the annual report and the financial statements

The directors are responsible for preparing the Annual 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 they have elected to prepare the group and parent company financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), 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 of the group and parent company and of the groups profit or loss for that period. In preparing each of the group and parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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;
- assess the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

# Independent Auditor's Report to the members of Taylor Clark Limited



## Opinion

We have audited the financial statements of Taylor Clark Limited ("the company") for the year ended 31 March 2020 which comprise the consolidated profit and loss account and other comprehensive income, consolidated balance sheet, company balance sheet, consolidated statement of changes in equity, company statement of changes in equity, consolidated cash flow statement and related notes, including the accounting policies in note 1.

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 31 March 2020 and of the group's loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

## Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the group or the company or to cease their operations, and as they have concluded that the group and the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the group's business model and analysed how those risks might affect the group and company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the group or the company will continue in operation.

**Strategic report and directors' report**

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

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

Under the Companies Act 2006, we are required 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.

We have nothing to report in these respects.

**Directors' responsibilities**

As explained more fully in their statement set out on page 9, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the group and 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 they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

# **Independent Auditor's Report to the members of Taylor Clark Limited**

continued

## **Auditor's responsibilities**

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

## **The purpose of our audit work and to whom we owe our responsibilities**

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.

**Adrian Wilcox (Senior Statutory Auditor)**  
*for and on behalf of KPMG LLP, Statutory Auditor*  
Chartered Accountants  
15 Canada Square  
London  
E14 5GL

24 December 2020

# Consolidated profit and loss account and other comprehensive income

for the year ended 31 March 2020


	Note	2020 £'000	2019 £'000
Turnover	2	478	469
Cost of sales		(506)	(547)
Gross loss		(28)	(78)
Administrative expenses		(1,148)	(1,482)
Other operating income	3	2,239	4,061
Operating profit		1,063	2,501
Share of profit of joint ventures net of tax		1,139	51
Gain on disposal of operations		–	66
Gain on fixed asset investment disposals		1,751	172
Loss on fair value measurement of investment property		(660)	(395)
Impairment loss on fixed asset investments		(5,746)	(2,063)
(Loss)/profit before interest		(2,453)	332
Interest receivable and similar income	5	1,081	6,029
Interest payable and similar expenses	6	(6,475)	–
(Loss)/profit before taxation		(7,847)	6,361
Tax on (loss)/profit	9	1,578	(383)
(Loss)/profit after tax		(6,269)	5,978
Other comprehensive income			
Foreign exchange differences on translation of foreign operations		496	706
Total comprehensive (expense)/income for the year		(5,773)	6,684

The notes on pages 19 to 41 form part of these financial statements.

# Consolidated balance sheet

for the year ended 31 March 2020

	Note	2020 £'000	2019 £'000
<b>Fixed assets</b>			
Tangible assets	12	4,207	4,347
Investment property	13	6,910	7,570
Investments in joint ventures	14	3,170	2,031
Other investments	15	113,402	133,585
		<b>127,689</b>	<b>147,533</b>
<b>Current assets</b>			
Stocks	17	136	180
Debtors due after more than one year	18	13,240	9,618
Debtors due within one year	18	6,150	945
Cash at bank and in hand	19	40,806	38,474
		<b>60,332</b>	<b>49,217</b>
Creditors: amounts falling due within one year	20	(791)	(313)
<b>Net current assets</b>		<b>59,541</b>	<b>48,904</b>
<b>Total assets less current liabilities</b>		<b>187,230</b>	<b>196,437</b>
Deferred tax liability	21	(409)	(2,499)
<b>Net assets</b>		<b>186,821</b>	<b>193,938</b>
<b>Capital and reserves</b>			
Called up share capital	22	698	698
Capital redemption reserve	22	1,605	1,605
Profit and loss account:			
Distributable		176,645	168,776
Non-distributable		7,873	22,859
	22	<b>184,518</b>	<b>191,635</b>
<b>Shareholders' funds</b>		<b>186,821</b>	<b>193,938</b>

These financial statements were approved by the board of directors on 23 December 2020 and signed on its behalf by 

C E Madelin Director

The notes on pages 19 to 41 form part of these financial statements.

Company number: 00340727



# Company balance sheet

for the year ended 31 March 2020

	Note	2020 £'000	2019 £'000
<b>Fixed assets</b>			
Tangible assets	12	2,256	2,315
Investment property	13	3,285	3,410
Other investments	15	134,529	151,440
		<b>140,070</b>	<b>157,165</b>
<b>Current assets</b>			
Debtors due within one year	18	5,188	2,126
Cash at bank and in hand	19	39,485	37,306
		<b>44,673</b>	<b>39,432</b>
Creditors: amounts falling due within one year	20	(20,444)	(25,037)
<b>Net current assets</b>		<b>24,229</b>	<b>14,395</b>
<b>Total assets less current liabilities</b>		<b>164,299</b>	<b>171,560</b>
Deferred tax liability	21	(1,460)	(2,389)
<b>Net assets</b>		<b>162,839</b>	<b>169,171</b>
<b>Capital and reserves</b>			
Called up share capital	22	698	698
Capital redemption reserve	22	1,605	1,605
Profit and loss account:			
Distributable		155,755	147,987
Non-distributable		4,781	18,881
	22	<b>160,536</b>	<b>166,868</b>
<b>Shareholders' funds</b>		<b>162,839</b>	<b>169,171</b>

These financial statements were approved by the board of directors on 23 December 2020 and signed on its behalf by

C E Madelin

Director

The notes on pages 19 to 41 form part of these financial statements.

Company number: 00340727

# Consolidated statement of changes in equity

for the year ended 31 March 2020

	Note	Called up share capital £'000	Capital redemption reserve £'000	Profit and loss account £'000	Total equity £'000
Balance at 1 April 2018		698	1,605	186,265	188,568
Total comprehensive income for the year					
Profit		-	-	5,978	5,978
Other comprehensive income					
Foreign exchange differences on translation of foreign operations		-	-	706	706
Total comprehensive income for the year		-	-	6,684	6,684
Transactions with owners, recorded directly in equity					
Dividends	11	-	-	(1,314)	(1,314)
Total contributions by and distributions to owners		-	-	(1,314)	(1,314)
Balance at 31 March 2019		698	1,605	191,635	193,938
Balance at 1 April 2019		698	1,605	191,635	193,938
Total comprehensive income for the year					
Loss		-	-	(6,269)	(6,269)
Other comprehensive income					
Foreign exchange differences on translation of foreign operations		-	-	496	496
Total comprehensive income for the year		-	-	(5,773)	(5,773)
Transactions with owners, recorded directly in equity					
Dividends	11	-	-	(1,344)	(1,344)
Total contributions by and distributions to owners		-	-	(1,344)	(1,344)
Balance at 31 March 2020		698	1,605	184,518	186,821

The notes on pages 19 to 41 form part of these financial statements.

# Company statement of changes in equity

for the year ended 31 March 2020

	Note	Called up share capital £'000	Capital redemption reserve £'000	Profit and loss account £'000	Total equity £'000
Balance at 1 April 2018		698	1,605	162,444	164,747
Total comprehensive income for the year					
Profit		–	–	5,738	5,738
Total comprehensive income for the year		–	–	5,738	5,738
Transactions with owners, recorded directly in equity					
Dividends	11	–	–	(1,314)	(1,314)
Total contributions by and distributions to owners		–	–	(1,314)	(1,314)
Balance at 31 March 2019		698	1,605	166,868	169,171
Balance at 1 April 2019		698	1,605	166,868	169,171
Total comprehensive income for the year					
Loss		–	–	(4,988)	(4,988)
Total comprehensive income for the year		–	–	(4,988)	(4,988)
Transactions with owners, recorded directly in equity					
Dividends	11	–	–	(1,344)	(1,344)
Total contributions by and distributions to owners		–	–	(1,344)	(1,344)
Balance at 31 March 2020		698	1,605	160,536	162,839

The notes on pages 19 to 41 form part of these financial statements.

# Consolidated cash flow statement

for the year ended 31 March 2020

	Note	2020 £'000	2019 £'000
<b>Cash flows from operating activities</b>			
(Loss)/profit for the year		(6,269)	5,978
<i>Adjustments for:</i>			
Depreciation charges	12	186	186
Foreign exchange gains	5	(338)	(187)
Income from fixed asset investments	3	(2,162)	(3,970)
Change in value of investment property	13	660	395
Fair value adjustments of fixed asset investments	15	6,475	(5,156)
Provisions made against fixed asset investments	15	5,746	2,063
Share of profit of joint ventures	14	(1,139)	(51)
Interest receivable and similar income	5	(743)	(686)
Gain on sale of fixed assets		(5)	(3)
Gain on sale of fixed asset investments		(1,751)	(172)
Provisions for liabilities and charges		–	(66)
Taxation	9	(1,578)	383
		(918)	(1,286)
(Increase) in trade and other debtors		(8,827)	(539)
Decrease in stocks		44	8
Increase/(decrease) in trade and other creditors		478	(895)
		(9,223)	(2,712)
Interest received		743	686
Tax paid		(228)	(63)
<b>Net cash from operating activities</b>		<b>(8,708)</b>	<b>(2,089)</b>
<b>Cash flows from investing activities</b>			
Proceeds from sale of tangible fixed assets		5	7
Proceeds from sale of fixed assets investments		25,901	29,137
Income from fixed asset investments		1,657	3,384
Return of capital	15	3,030	317
Acquisition of tangible fixed assets	12	(47)	(70)
Acquisition of fixed asset investments	15	(18,774)	(36,900)
<b>Net cash from investing activities</b>		<b>11,772</b>	<b>(4,125)</b>
<b>Cash flows from financing activities</b>			
Dividends paid	11	(1,344)	(1,314)
<b>Net cash from financing activities</b>		<b>(1,344)</b>	<b>(1,314)</b>
Net increase/(decrease) in cash and cash equivalents		1,720	(7,528)
Cash and cash equivalents at 1 April		38,474	45,841
Effect of exchange rate fluctuations on cash held		612	161
<b>Cash and cash equivalents at 31 March 2020</b>		<b>40,806</b>	<b>38,474</b>

The notes on pages 19 to 41 form part of these financial statements.

# Notes on the accounts

## 1 Accounting policies

Taylor Clark Limited (the “Company”) is a private company incorporated, domiciled and registered in England in the UK.

These Group and parent company financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (“FRS 102”). The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The parent company is included in the consolidated financial statements, and is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12. The following exemptions available under FRS 102 in respect of certain disclosures for the parent company financial statements have been applied:

- The reconciliation of the number of shares outstanding from the beginning to the end of the period has not been included a second time;
- No separate parent company Cash Flow Statement with related notes is included; and
- Key Management Personnel compensation has not been included a second time.
- Certain disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instrument Issues* in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 28.

### 1.1 Measurement convention

The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: biological assets, investment property and financial instruments classified at fair value.

### 1.2 Going concern

The Group’s business activities are set out in the Strategic report on pages 4 to 7. The Group’s directors have considered the Group’s cash requirements for the 12-months following the signing of these accounts, including commitments of £22.2m, which could be called during this period. They have also considered the effect of the global pandemic in relation to both financial and property investments held and the possibility of having to provide support to certain projects. With regards to the financial investments, the Group’s diverse portfolio has protected it from any significant losses and its defensive investments, which are highly liquid, performed well during the pandemic.

The directors have also prepared a severe, but plausible downside scenario in which the cash requirement would be £22.2m of commitments and £5m relating to increased estimates of the cash requirements by investees. Taking into consideration the commitments and the potential additional support, the directors determined that the Group’s ample cash balances and highly liquid defensive financial investments were more than sufficient to cover these potential outflows. On the basis of their assessment of the Group’s financial position and resources, the directors believe that the Group is well placed to manage its business risks. Therefore, the Group’s directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

# Notes on the accounts

continued

## 1 Accounting policies (*continued*)

The Directors have assessed that the decision of the UK to leave the EU and the uncertainty of the future relationship between the UK and the EU does not have an impact on the going concern of the Company. While the impact on the capital prices is potentially significant, this will not cause any disruption to the activities of the Company which mainly focus on holding investments.

### 1.3 Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings made up to 31 March 2020. A subsidiary is an entity that is controlled by the parent. The results of subsidiary undertakings are included in the consolidated profit and loss account from the date that control commences until the date that control ceases. Control is established when the Company has the power to govern the operating and financial policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

A joint venture is a contractual arrangement undertaking in which the Group exercises joint control over the operating and financial policies of the entity. Where the joint venture is carried out through an entity, it is treated as a jointly controlled entity. The Group's share of the profits less losses of jointly controlled entities is included in the consolidated profit and loss account and its interest in their net assets is recorded on the balance sheet using the equity method.

Under Section 408 of the Companies Act 2006 the Company is exempt from the requirement to present its own profit and loss account.

In the parent financial statements, investments in subsidiaries and jointly controlled entities are carried at cost less impairment.

### 1.4 Foreign currency

Transactions in foreign currencies are translated to the Group companies' functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on retranslation are recognised in other comprehensive income.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to the Group's presentational currency, Sterling, at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated at an average rate for the year where this rate approximates to the foreign exchange rates ruling at the dates of the transactions.

### 1.5 Basic financial instruments

#### *Trade and other debtors/creditors*

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors.

#### *Interest-bearing borrowings classified as basic financial instruments*

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

## 1 Accounting policies (continued)

### *Investments in ordinary shares*

Investments in equity instruments are measured initially at fair value, which is normally the transaction price. Transaction costs are excluded if the investments are subsequently measured at fair value through profit and loss. Subsequent to initial recognition investments that can be measured reliably are measured at fair value with changes recognition in profit or loss. Other investments are measured at cost less impairment in profit or loss.

### *Cash and cash equivalents*

Cash and cash equivalents comprise cash balances.

### *1.6 Other financial instruments*

Financial instruments not considered to be Basic financial instruments (Other financial instruments)

Other financial instruments not meeting the definition of Basic Financial Instruments are recognised initially at fair value. Subsequent to initial recognition other financial instruments are measured at fair value with changes recognised in profit or loss except as follows:

- investments in equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably shall be measured at cost less impairment.

### *1.7 Tangible fixed assets*

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

The Company assesses at each reporting date whether tangible fixed assets are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Land is not depreciated. The estimated useful lives are as follows:

Freehold buildings	- 0%-4%
Other tangible assets:	
Short life equipment	- 50%
Farming equipment	- At between 10% and 20%
Other plant and equipment	- At between 10% and 33%

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

### *1.8 Investment property*

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are recognised initially at cost.

Subsequent to initial recognition

- i. investment properties whose fair value can be measured reliably without undue cost or effort are held at fair value. Any gains or losses arising from changes in the fair value are recognised in profit or loss in the period that they arise; and
- ii. no depreciation is provided in respect of investment properties applying the fair value model.

### *1.9 Biological assets*

Biological assets are measured at fair value less costs to sell, with any change therein recognised in profit or loss.

# Notes on the accounts

continued

## 1 Accounting policies (*continued*)

### 1.10 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell, on the basis of independent professional valuations.

### 1.11 Impairment

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

### 1.12 Employee benefits

Defined contribution plans and other long term employee benefits

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

### 1.13 Provisions

A provision is recognised in the balance sheet when the entity has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

### 1.14 Turnover

Turnover represents the amounts receivable (excluding value added tax) in respect of farming activities and rental income in the United Kingdom.

The Company recognises revenue from the sale of goods when all the following conditions are satisfied:

- (a) the entity has transferred to the buyer the significant risks and rewards of ownership of the goods;
- (b) the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- (c) the amount of revenue can be measured reliably;
- (d) it is probable that the economic benefits associated with the transaction will flow to the entity;
- (e) the costs incurred or to be incurred in respect of the transaction can be measured reliably.



## 1 Accounting policies (*continued*)

### *Rental income*

Rentals are charged to income on a straight-line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

### *1.15 Expenses*

#### *Operating leases*

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

#### *Interest receivable and Interest payable*

Interest payable and similar expenses include interest payable and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy).

Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the company's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

### *1.16 Taxation*

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

# Notes on the accounts

continued

## 2 Turnover and business segment analysis

*By activity*

2020	<i>Property</i>	<i>Hotels and leisure</i>	<i>Financial Invest- ments</i>	<i>Other</i>	<i>Total</i>
	£'000	£'000	£'000	£'000	£'000
Turnover					
Rental income	132	–	–	–	132
Farming	–	–	–	346	346
	132	–	–	346	478
Operating profit	127	–	2,162	(1,226)	1,063
Share of profit of joint ventures	1,139	–	–	–	1,139
Gains on fixed asset investment disposals	–	–	1,751	–	1,751
Loss on fair value measurement of investment property	(660)	–	–	–	(660)
Impairment loss on fixed asset investments	–	–	(5,746)	–	(5,746)
Interest receivable	522	–	–	559	1,081
Interest payable	–	–	(6,475)	–	(6,475)
Share of joint ventures/ associates net interest					–
Profit before taxation	1,128	–	(8,308)	(667)	(7,847)
Assets employed					
Group	20,062	–	113,401	50,188	183,651
Share of joint ventures	3,170	–	–	–	3,170
	23,232	–	113,401	50,188	186,821

The 'Other' column includes group overhead costs in Operating profit/(loss).

## 2 Turnover and business segment analysis (continued)

2019	Property	Hotels and leisure	Financial Invest- ments	Other	Total
	£'000	£'000	£'000	£'000	£'000
Turnover					
Rental income	137	–	–	–	137
Farming	–	–	–	332	332
	137	–	–	332	469
Operating profit	36	–	3,970	(1,505)	2,501
Share of profit of joint ventures	51	–	–	–	51
Gain on property disposals	–	66	–	–	66
Gains on fixed asset investment disposals	–	–	172	–	172
Loss on fair value measurement of investment property	(395)	–	–	–	(395)
Impairment loss on fixed asset investments	–	–	(2,063)	–	(2,063)
Interest receivable	464	–	5,156	409	6,029
Interest payable	–	–	–	–	–
Share of joint ventures/ associates net interest					–
Profit before taxation	156	66	7,235	(1,096)	6,361
Assets employed					
Group	17,109	20	133,584	41,194	191,907
Share of joint ventures	2,031	–	–	–	2,031
	19,140	20	133,584	41,194	193,938

The 'Other' column includes group overhead costs in Operating profit/(loss).

# Notes on the accounts

continued

## 2 Turnover and business segment analysis (continued)

By geographical market

(by destination and origin)

	2020			2019		
	North			North		
	UK	America	Total	UK	America	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Turnover						
Rental income	132	–	132	137	–	137
Farming	346	–	346	332	–	332
	478	–	478	469	–	469
Operating profit	1,063	–	1,063	2,616	(115)	2,501
Share of profit of joint ventures	1,139	–	1,139	51	–	51
Gain/(loss) on property disposals	–	–	–	–	66	66
Gains on fixed asset investment disposals	1,751	–	1,751	172	–	172
Loss on fair value measurement of investment property	(660)	–	(660)	(395)	–	(395)
Impairment loss on fixed assets investments	(2,403)	(3,343)	(5,746)	(2,063)	–	(2,063)
Interest receivable	1,081	–	1,081	6,028	1	6,029
Interest payable	(6,475)	–	(6,475)	–	–	–
Profit before taxation	(4,504)	(3,343)	(7,847)	6,409	(48)	6,361
Assets employed						
Group	175,126	8,525	183,651	182,161	9,746	191,907
Share of joint ventures	3,170	–	3,170	2,031	–	2,031
	178,296	8,525	186,821	184,192	9,746	193,938

## 3 Other operating income

	2020	2019
	£'000	£'000
Income from fixed asset investments	2,162	3,970
Other items	77	91
	2,239	4,061

**4 Expenses and auditors' remuneration**

	2020	2019
	£'000	£'000
<i>Included in profit/loss are the following:</i>		
Loss on fair value measurement of investment property	660	395
Gain on sale of fixed assets	(5)	(3)
Impairment loss on fixed assets investments	5,746	2,063
Depreciation	186	186
Auditor's remuneration:		
Audit of these financial statements	69	45
Audit of subsidiaries	16	16
Tax compliance services	22	33
Other tax advisory services	4	234
	<b>6,698</b>	<b>2,969</b>

**5 Interest receivable and similar income**

	2020	2019
	£'000	£'000
Bank and other interest receivable	221	222
Currency translation differences	338	187
Net gain on revaluation of fixed asset investments measured at fair value through profit or loss	–	5,156
Interest receivable from joint ventures	522	464
	<b>1,081</b>	<b>6,029</b>

**6 Interest payable and similar expenses**

	2020	2019
	£'000	£'000
Net loss on revaluation of fixed asset investments measured at fair value through profit or loss	6,475	–
	<b>6,475</b>	<b>–</b>

# Notes on the accounts

continued

## 7 Staff costs and directors' emoluments

The average number of persons employed by the group (including directors) during the year was as follows:

	2020 £'000	2019 £'000
Property, management and administration	7	5
Other	3	3
	<b>10</b>	<b>8</b>

The aggregate payroll costs of these persons were as follows:

	2020 £'000	2019 £'000
Wages and salaries	533	655
Social security costs	62	76
Other pension costs	89	95
	<b>684</b>	<b>826</b>

Directors' remuneration:

	2020 £'000	2019 £'000
Director's emoluments	371	458

The aggregate of emoluments of the highest paid director (excluding pension contributions) were £115,526 (2019: £190,027) and company pension contributions of £27,500 (2019: £0) were made to a money purchase scheme on their behalf.

## 8 Pensions

### *Defined contributions pension scheme*

Since 1 January 2011 the Group has operated a defined contribution scheme for certain UK based employees. The pension charge for the period includes contributions payable by the Group to the scheme of £88,965 (2019: £95,089). The contribution of the Group for the scheme was 27.5% (2019: 27.5%) of pensionable salary. The employees contributed an additional 6% (2019: 6%).

There were no contributions payable to the scheme at the year end (2019: £nil).

## 9 Taxation

Total tax expense recognised in the profit and loss account, other comprehensive income and equity

	2020 £'000	2019 £'000
<i>UK corporation tax</i>		
Current tax expense on income for the year	569	76
Adjustment in respect of prior years	(41)	11
	528	87
<i>Foreign tax</i>		
Current tax (credit)/expense on income for the year	(1,293)	93
Adjustment in respect of prior years	207	52
Total current tax	(558)	232
<i>Deferred taxation (see note 21)</i>		
Origination and reversal of timing differences	(715)	104
Change in tax rate	(305)	47
Total deferred tax	(1,020)	151
Total tax (credit)/expense	(1,578)	383
	2020	2019
	£'000	£'000
	Current tax	Deferred tax
	£'000	£'000
	Current tax	Deferred tax
	£'000	£'000
Recognised in profit and loss account	(558)	(1,020)
	(558)	(1,020)
	(1,578)	232
	232	151
	151	383
	383	
Reconciliation of effective tax rate		
	2020 £'000	2019 £'000
(Loss)/profit for the year	(6,269)	5,978
Total tax (credit)/expense	(1,578)	383
(Loss)/profit excluding taxation	(7,847)	6,361
Tax using the UK corporation tax rate of 19% (2019: 19%)	(1,491)	1,210
Reduction in tax rate on deferred tax balances	305	(47)
Non-deductible expenses	554	592
Tax exempt revenues	345	(1,802)
Indexation on capital gains	(840)	377
Current year losses for which no deferred tax asset was recognised	33	63
Deferred tax not previously recognised	–	(175)
Overseas tax differences	(650)	102
Under provided in prior years	166	63
Total tax (credit)/expense included in profit or loss	(1,578)	383

# Notes on the accounts

continued

## 9 Taxation (continued)

In accordance with FRS 102.29, deferred tax assets are only recognised to the extent that it is probable they are recoverable against future taxable profits or deferred tax liability reversals. Accordingly a deferred tax asset of £407,000 (2019: £338,000) has not been recorded on the grounds that there is currently insufficient evidence that the asset will be recoverable against suitable taxable profits in the short term. A UK corporation rate of 19% was substantively enacted on 17 March 2020, reversing the previously enacted reduction in the rate of 19% to 17%. This will increase the company's future tax charge accordingly. The deferred tax liability at 31 March 2020 has been calculated at 19% (2019: 17%).

## 10 (Loss)/profit for the financial year

	2020	2019
	£'000	£'000
Dealt with in the accounts of the holding company	(4,988)	6,340
Retained by subsidiary undertakings	(1,281)	(362)
	<b>(6,269)</b>	<b>5,978</b>

## 11 Dividends

	2020	2019
	£'000	£'000
Amounts recognised as distributions to equity shareholders in the year		
Final dividends for the year ended 31 March 2019		
Ordinary A shares 10.2700p, (31 March 2018: 10.0100p) per share	77	75
Ordinary B shares 11.2970p, (31 March 2018: 11.0110p) per share	704	686
Interim dividends for the year ended 31 March 2020		
Ordinary A shares 7.4100p, (31 March 2019: 7.2700p) per share	55	55
Ordinary B shares 8.1510p, (31 March 2019: 7.9970p) per share	508	498
Total dividends paid in the year	<b>1,344</b>	<b>1,314</b>
	2020	2019
	£'000	£'000
Proposed final dividends for the year ended 31 March 2020		
Ordinary A shares 10.5100p, (31 March 2019: 10.2700p) per share	79	77
Ordinary B shares 11.6490p, (31 March 2019: 11.2970p) per share	726	704
	<b>805</b>	<b>781</b>

In June 2020 dividends of £79,000 and £726,000 for Ordinary A shares and Ordinary B shares respectively were proposed by the directors for approval at the forthcoming Annual General Meeting. They have therefore not been accounted for in the current accounting period.



## 12 Fixed assets: Tangible assets

	<i>Freehold Land £'000</i>	<i>Freehold property £'000</i>	<i>Freehold property trading £'000</i>	<i>Other tangible assets £'000</i>	<i>Total £'000</i>
Group:					
Cost or valuation:					
1 April 2019	354	2,035	2,399	1,100	5,888
Additions	-	-	-	47	47
Disposals	-	-	-	(24)	(24)
Revaluations	-	-	-	(1)	(1)
<b>31 March 2020</b>	<b>354</b>	<b>2,035</b>	<b>2,399</b>	<b>1,122</b>	<b>5,910</b>

	<i>Freehold Land £'000</i>	<i>Freehold property £'000</i>	<i>Freehold property trading £'000</i>	<i>Other tangible assets £'000</i>	<i>Total £'000</i>
Group:					
Depreciation:					
1 April 2019	-	171	604	766	1,541
Charged in year	-	81	37	68	186
Disposals	-	-	-	(24)	(24)
<b>31 March 2020</b>	<b>-</b>	<b>252</b>	<b>641</b>	<b>810</b>	<b>1,703</b>
Net book value:					
1 April 2019	354	1,864	1,795	334	4,347
<b>31 March 2020</b>	<b>354</b>	<b>1,783</b>	<b>1,758</b>	<b>312</b>	<b>4,207</b>

	<i>Freehold Land £'000</i>	<i>Freehold property £'000</i>	<i>Other tangible assets £'000</i>	<i>Total £'000</i>
Company:				
Cost or valuation:				
1 April 2019	354	2,035	183	2,572
Additions	-	-	36	36
Disposals	-	-	-	-
<b>31 March 2020</b>	<b>354</b>	<b>2,035</b>	<b>219</b>	<b>2,608</b>

# Notes on the accounts

continued

## 12 Fixed assets: Tangible assets (continued)

	Freehold Land £'000	Freehold property £'000	Other tangible assets £'000	Total £'000
Company:				
Depreciation:				
1 April 2019	–	171	86	257
Charged in year	–	81	14	95
Disposals	–	–	–	–
<b>31 March 2020</b>	<b>–</b>	<b>252</b>	<b>100</b>	<b>352</b>
Net book value:				
1 April 2019	354	1,864	97	2,315
<b>31 March 2020</b>	<b>354</b>	<b>1,783</b>	<b>119</b>	<b>2,256</b>

## 13 Investment property

	£'000
Group:	
At 1 April 2019	7,570
Net loss from fair value adjustments	(660)
<b>At 31 March 2020</b>	<b>6,910</b>
Historical cost net book value	5,738
	£'000
Company:	
At 1 April 2019	3,410
Net loss from fair value adjustments	(125)
<b>At 31 March 2020</b>	<b>3,285</b>
Historical cost net book value	3,615

There were no contractual obligations to purchase, construct or develop investment property as of 31 March 2020, nor any contractual obligations for repairs, maintenance or enhancements of investment property.

£6,910,000 (2019: £7,570,000) (Company: £3,285,000 (2019: £3,410,000)) of investment property fair value is based on a valuation by an external independent valuer, having an appropriate recognised professional qualification and recent experience in the location and class of property being valued. The valuation, which is supported by market evidence, is prepared by considering the future sale proceeds from the disposal of the properties and where relevant, any associated costs.

Any gain or loss arising from a change in fair value is recognised in profit or loss.

**14 Fixed assets: Investments in joint ventures**

	BAM TCP Atlantic Square Limited £'000
Cost or valuation:	
At beginning of year	(959)
<b>At end of year</b>	<b>(959)</b>
Share of post acquisition reserves:	
At beginning of year	2,990
Retained profits less losses	1,139
<b>At end of year</b>	<b>4,129</b>
Net book value:	
1 April 2019	2,031
<b>31 March 2020</b>	<b>3,170</b>

At both 1 April 2019 and 31 March 2020 the Group held 50% of the voting rights and exercised joint control of BAM TCP Atlantic Square Limited (BAM TCP), a property development company registered in England and Wales.

**15 Fixed assets: Other investments**

	Listed £'000	Other £'000	Total £'000
<i>Group:</i>			
Cost or market value:			
At beginning of year	115,109	21,997	137,106
Additions	12,638	6,136	18,774
Return of capital	–	(3,030)	(3,030)
Disposals	(24,150)	–	(24,150)
Movement in fair value	(6,475)	–	(6,475)
Translation difference	–	444	444
<b>At end of year</b>	<b>97,122</b>	<b>25,547</b>	<b>122,669</b>

# Notes on the accounts

continued

## 15 Fixed assets: Other investments (*continued*)

	£'000	£'000	£'000
<i>Group:</i>			
Provisions:			
At beginning of year	–	3,521	3,521
Increase in the year	–	5,746	5,746
Disposals	–	–	–
<b>At end of year</b>	<b>–</b>	<b>9,267</b>	<b>9,267</b>
Net book value:			
1 April 2019	115,109	18,476	133,585
<b>31 March 2020</b>	<b>97,122</b>	<b>16,280</b>	<b>113,402</b>

	Shares in subsidiary undertakings £'000	Listed £'000	Other £'000	Total £'000
<i>Company:</i>				
Cost or valuation:				
At beginning of year	28,175	115,109	13,270	156,554
Additions	–	12,638	6,075	18,713
Return of capital	–	–	(2,596)	(2,596)
Disposals	–	(24,150)	–	(24,150)
Movement in fair value	–	(6,475)	–	(6,475)
<b>At end of year</b>	<b>28,175</b>	<b>97,122</b>	<b>16,749</b>	<b>142,046</b>

	£'000	£'000	£'000	£'000
<i>Company:</i>				
Provisions:				
At beginning of year	1,592	–	3,522	5,114
Increase in the year	–	–	2,403	2,403
Disposals	–	–	–	–
<b>At end of year</b>	<b>1,592</b>	<b>–</b>	<b>5,925</b>	<b>7,517</b>
Net book value:				
1 April 2019	26,583	115,109	9,748	151,440
<b>31 March 2020</b>	<b>26,583</b>	<b>97,122</b>	<b>10,824</b>	<b>134,529</b>

Listed investments are valued at market values. Unlisted investments are valued at cost less impairment.

## 16 Subsidiary and joint venture undertakings

The company owned the proportions set out below of the issued share capital of the following subsidiary and joint venture undertakings:

	Percentage of equity owned at 31 March 2020	Percentage of equity owned at 31 March 2019	Country of registration/ incorporation
<b>Property</b>			
TCP Developments Limited	100	100	Scotland
BAM TCP Atlantic Square Limited	50*	50*	England
Taylor Clark Properties Limited	100	100	Scotland
TCP Pilgrim Limited (dormant)	100*	100*	England
Bowmore Estates Limited (liquidated 8 November 2019)	0	50*	England
<b>Farming</b>			
Wylde Valley Farming Limited	100	100	England
<b>USA</b>			
Taylor Clark Inc	100*	100*	USA
Castlehill Properties Inc (dissolved 23 May 2019)	0	100*	USA
<b>Other</b>			
Taylor Clark International	100	100	England
Taylor Clark Leisure plc	100	100	Scotland

\* Owned by a subsidiary undertaking

Wholly owned subsidiaries:

Registered Office for England – 20 York Street, London, W1U 6PU

Registered Office for Scotland – 185 St Vincent Street, Glasgow, G2 5QD

Registered Office for USA – 983 Azalea Drive, Costa Mesa, California 92626, USA

Joint ventures:

Registered Office for BAM TCP Atlantic Square Limited – Breakspear Park, Breakspear Way,  
Hemel Hempstead HP2 4FL

Registered Office for Bowmore Estates Limited – 15 Canada Square, London E14 5GL

## 17 Stock

	Group	
	2020 £'000	2019 £'000
Stock comprises:		
Farm produce	136	180
	<b>136</b>	<b>180</b>

# Notes on the accounts

continued

## 18 Debtors

	<i>Group</i>		<i>Company</i>	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
<i>Amounts due after one year</i>				
Amounts owed by joint ventures	13,240	9,618	–	–
	13,240	9,618	–	–
	<i>Group</i>		<i>Company</i>	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
<i>Amounts due within on year</i>				
Trade debtors	18	15	–	–
Amounts owed by subsidiary undertakings	–	–	8	1,871
Other debtors	6,027	830	5,080	165
Prepayments and accrued income	105	100	100	90
	6,150	945	5,188	2,126

The amount due after one year of £13,240,000 (2019: £9,618,000) is a shareholder loan to BAM TCP Atlantic Square Limited (BAM TCP), a jointly controlled entity and is made up of £13,090,000 (2019: £9,501,000) principal and accrued interest of £150,000 (2019: £117,000).

BAM TCP is developing two commercial properties in Glasgow, one of which has been forward sold and the second being developed speculatively. Work on the site commenced in March 2018.

Interest on the loan is charged at 5% and capitalised on 30 June and 31 December each year. The principal and interest is repayable after the second building is sold which at the date of signing these accounts is undetermined but expected to be more than one year.

Amounts owed by subsidiaries are repayable on demand.

## 19 Cash and cash equivalents

	2020	2019
	£'000	£'000
Cash at bank and in hand	40,806	38,474
	40,806	38,474

The above balance includes restricted cash of £nil (2019: £nil).

**20 Creditors: amounts falling due within one year**

	Group		Company	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Trade creditors	51	62	40	55
Amounts owed to subsidiary undertakings	–	–	19,824	24,871
Other creditors including taxation and social security	608	108	487	40
Accruals and deferred income	132	143	93	71
	<b>791</b>	<b>313</b>	<b>20,444</b>	<b>25,037</b>

Amounts owed to subsidiaries are repayable on demand.

**21 Deferred tax assets and liabilities**

Deferred tax assets and liabilities are attributed to the following:

*Group*

	2020	2019
	£'000	£'000
Accelerated capital allowances	81	(5)
Unused management expenses	–	(641)
Revaluation of fixed asset investments	1,619	3,151
Revaluation of investment property	(130)	(6)
Overseas deferred tax asset	(1,161)	–
<b>Net tax liability</b>	<b>409</b>	<b>2,499</b>

*Company*

	2020	2019
	£'000	£'000
Accelerated capital allowances	60	54
Unused management expenses	–	(641)
Revaluation of investment property	(219)	(175)
Revaluation of fixed asset investments	1,619	3,151
<b>Net tax liability</b>	<b>1,460</b>	<b>2,389</b>

In addition to the deferred tax assets and liabilities above, the Group has an unrecognised deferred tax asset of £407,000 (2019: £338,000), in respect of losses (see Note 9).

The Company has an unrecognised deferred tax asset of £21,000 (2019: £nil), in respect of losses.

# Notes on the accounts

continued

## 22 Capital and reserves

	Ordinary A shares of £0.10		Ordinary B shares of £0.10		Total
	Number	Value £'000	Number	Value £'000	Value £'000
<b>Share capital</b>					
<i>Alotted, called up and fully paid</i>					
<b>At 31 March 2019 and 2020</b>	<b>748,236</b>	<b>75</b>	<b>6,232,033</b>	<b>623</b>	<b>698</b>
<b>Capital redemption reserve</b>				<b>2020</b>	<b>2019</b>
				<b>£'000</b>	<b>£'000</b>
<i>Group:</i>					
<b>At 31 March 2019 and 2020</b>				<b>1,605</b>	<b>1,605</b>
<i>Company:</i>					
<b>At 31 March 2019 and 2020</b>				<b>1,605</b>	<b>1,605</b>
<b>Profit and loss account</b>				<b>2020</b>	<b>2019</b>
				<b>£'000</b>	<b>£'000</b>
<i>Group:</i>					
At beginning of year				<b>191,635</b>	<b>186,265</b>
(Loss)/profit for the year				<b>(6,269)</b>	<b>5,978</b>
Currency translation difference				<b>496</b>	<b>706</b>
Dividends paid				<b>(1,344)</b>	<b>(1,314)</b>
<b>At end of year</b>				<b>184,518</b>	<b>191,635</b>
Profit and loss reserves at 31 March 2020 comprise £176,645,000 available for distribution and £7,873,000 non-distributable (2019: £168,776,000 distributable and £22,859,000 non-distributable).					
				<b>2020</b>	<b>2019</b>
				<b>£'000</b>	<b>£'000</b>
<i>Company:</i>					
At beginning of year				<b>166,868</b>	<b>162,444</b>
(Loss)/profit for the year				<b>(4,988)</b>	<b>5,738</b>
Dividends paid				<b>(1,344)</b>	<b>(1,314)</b>
<b>At end of year</b>				<b>160,536</b>	<b>166,868</b>

Profit and loss reserves at 31 March 2020 comprise £155,755,000 available for distribution and £4,781,000 non-distributable (2019: £147,987,000 distributable and £18,881,000 non-distributable).



## 23 Financial instruments

The carrying amounts of the financial assets and liabilities include:

<i>Group</i>	2020	2019
	£'000	£'000
Assets measured at fair value through profit and loss	97,122	115,109
Assets measured at cost less impairment	16,243	18,448
Assets measured at cost	19,390	10,563
Liabilities measured at cost	(791)	(313)
	<b>131,964</b>	<b>143,807</b>
<i>Company</i>		
	2020	2019
	£'000	£'000
Assets measured at fair value through profit and loss	97,122	115,109
Assets measured at cost less impairment	10,788	9,722
Assets measured at cost	5,188	2,126
Liabilities measured at cost	(20,444)	(25,037)
	<b>92,654</b>	<b>101,920</b>

An explanation of the fair value method can be found in note 27.

## 24 Commitments

The Company holds investments which may result in the drawdown of further funds in future periods. Under this arrangement, the Company is committed to providing further investment of £29,420,000 (2019: £22,478,000). Since 31 March 2020 £7,200,000 of this has been paid leaving £22,220,000 outstanding.

In January 2018 the Company's wholly owned subsidiary BAM TCP Atlantic Square Limited became a 50:50 joint venture with BAM Properties Limited. Under the joint venture agreement the Company together with the joint venture partner and BAM Properties' parent company, BAM Contract UK, has guaranteed the joint venture's obligations in relation to its development site in Glasgow.

Planning consent for the development of two multi-storey office buildings (Building 1 and 2) and a residential apartment building (Building 3) together with ancillary uses was granted in early 2016. In January 2018 Building 1 was forward sold to Legal and General. The joint venture is speculatively developing Building 2 in tandem with the development of Building 1.

# Notes on the accounts

continued

## 25 Related parties

*Identity of related parties with which the Group has transacted*

### **BAM TCP Atlantic Square Limited**

On 26 January 2018 the wholly owned subsidiary BAM TCP Atlantic Square Limited (BAM TCP) became a 50:50 joint venture between the Group and BAM Properties Limited (BAM). To that effect, transactions occurred after that date between the Group and BAM TCP that do not fall within the exception contained in FRS 102.33.

A Loan of £13,090,000 (2019: £9,501,000) and interest of £150,000 (2019: £117,000) are receivable from BAM TCP at the year end.

*Transactions with key management personnel*

Total compensation of key management personnel in the year amounted to £371,000 (2019: £458,000).

	2020	2019
	£'000	£'000
Entities over which the Group has joint control	13,240	9,618
Key management personnel of the Company and its group	371	458
	<b>13,611</b>	<b>10,076</b>

Mr R Clark and his family are the ultimate controlling parties of the Group.

During the year no amounts were written off any of the balances with related parties.

## 26 Ultimate parent company and parent company of the larger group

The Company is the ultimate parent company. The ultimate controlling parties of the Company are Mr R Clark and his family who are the only shareholders.

No other group financial statements include the results of the Company.

## **27 Accounting estimates and judgements**

In the application of the Group's accounting policies which are described in Note 1, the directors are required to make judgements, estimates and assumptions about carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

For assets and liabilities held at fair value, the directors' estimate of fair value is based upon valuations provided annually by external, independent valuers, each of whom have an appropriate recognised professional qualification and relevant experience.

There are no other critical judgements or key sources of estimation uncertainty that the directors have made in the process of applying the company's accounting policies that would have a significant effect on the amounts recognised in the financial statements.

## Financial record

for the years ended 31 March

	2020 £'000	2019 £'000	2018 £'000	2017 £'000	2016 £'000
<b>Group turnover</b>	<b>478</b>	<b>469</b>	<b>551</b>	<b>502</b>	<b>1,648</b>
<b>Reconciliation of movements in shareholders' funds</b>					
(Loss)/profit after taxation	(6,269)	5,978	3,530	8,127	2,700
Dividends	(1,344)	(1,314)	(1,269)	–	(925)
Other recognised gains/(losses)	496	706	(1,342)	7,066	1,348
Loss of control of subsidiary	–	–	2,135	–	–
Purchase of own shares	–	–	–	–	(17,515)
<b>Net movement in shareholders' funds</b>	<b>(7,117)</b>	<b>5,370</b>	<b>3,054</b>	<b>15,193</b>	<b>(14,392)</b>
<b>Opening balance of shareholders' funds</b>	<b>193,938</b>	<b>188,568</b>	<b>185,514</b>	<b>170,321</b>	<b>184,713</b>
<b>Closing balance of shareholders' funds</b>	<b>186,821</b>	<b>193,938</b>	<b>188,568</b>	<b>185,514</b>	<b>170,321</b>
<b>Balance sheet</b>					
<b>Fixed assets:</b>					
Investment property	6,910	7,570	7,965	7,734	9,619
Tangible assets	4,207	4,347	4,476	3,993	2,167
Investments	116,572	135,616	124,191	122,465	107,642
Net current assets	59,541	48,904	55,094	54,131	51,569
Other liabilities and provisions	(409)	(2,499)	(3,158)	(2,809)	(676)
<b>Net assets</b>	<b>186,821</b>	<b>193,938</b>	<b>188,568</b>	<b>185,514</b>	<b>170,321</b>
<b>Capital and reserves</b>					
Called up share capital	698	698	698	698	698
Other reserves	186,123	193,240	187,870	184,816	169,623
<b>Shareholders' funds</b>	<b>186,821</b>	<b>193,938</b>	<b>188,568</b>	<b>185,514</b>	<b>170,321</b>