

**Aston Manor Freeholds Limited**

**Annual report and financial statements**

Registered number 07567081

For the year ended 31 December 2017

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## Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2017.

### Principal activity

The principal activity of the Company is the rental of freehold property to its parent company, Aston Manor Limited

### Results and dividends

Aston Manor Freeholds Limited owns all of the freehold properties on behalf of the Group, thereby trading as a property investment company. During the financial year ended 31 December 2017, the Company sold one freehold property at open market value.

The Company has seen a decrease in revenue to £1,101,409 (2016: £1,367,844) following the sale of one freehold property in August 2017.

The directors are satisfied with the performance of the Company during the year.

No dividends were paid or proposed (2016: £Nil).

### Key performance indicators and results

EBITDA for the year amounted to £5,123,768 (including £4,043,165 profit on sale of an investment property) (2016: £1,731,439 (including £45,000 profit on sale of an investment property)). EBITDA for the year excluding profits on sale of investment properties amounted to £1,080,603 (2016: £1,686,439). The operating profit (EBIT) for the year amounted to £1,092,421 (2016: £1,363,659). Profits in the year reflect the decrease in turnover following the sale of one of its investment properties.

The profit for the financial year amounted to £4,353,488 (2016: £1,267,140).

### Principal risks and uncertainties

The Company rents properties to its parent company, Aston Manor Limited. Property rentals are subject to annual review in line with market rental multiples for similar properties.

The Company held bank loans to fund the purchase of the properties which were subject to annual review as part of the Group's financing arrangements. These loans were repaid in full during the financial year ended 31 December 2017 following the sale of an investment property.

### Cash flow and liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its financial obligations as they fall due. The Company ensures that there are sufficient levels of committed facilities, cash and cash equivalents such that the Company is, at all times, able to meet its financial commitments. Liquidity risk is managed by continuous monitoring of forecast and actual cash flows and matching the maturity profile of financial assets and liabilities. The Company has no significant interest-bearing assets and consequently, its income and cash flows are largely independent of changes in market interest rates. All interest-bearing borrowings comprising of bank and inter-group loans have variable interest rates based upon the bank base rate and are therefore subject to fluctuations in such rates. The Company does not use interest rate swaps or other instruments to manage its interest rate exposure.

### Directors

The directors of the Company who were in office during the year and up to the date of signing the financial statements were as follows:

JD Ellis  
PD Ellis (resigned 1 December 2017)  
KR McGrath (resigned 7 August 2018)  
GP Johncox (appointed 1 February 2018)  
Y Jacobs (appointed 7 August 2018)  
M Roubaud (appointed 7 August 2018)  
L Spiers (appointed 7 August 2018)

Directors' third party qualifying indemnity insurance was in place throughout the year and at the date of signing the financial statements for the benefit of all Company directors.

## **Directors' report (*continued*)**

### ***Future developments***

The Company currently has no plans to extend further its freehold property portfolio.

### ***Going concern***

The directors consider that the Company has sufficient available financial resources and has long term contracts with its parent company for the rental of its properties. As a consequence, the directors believe that the Company is well placed to manage its business risks successfully. The post balance sheet acquisition of Aston Manor Limited (parent company) by Agrial S.A further strengthens the Group's financial position and going concern assessment.

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing the annual report and financial statements.

### **Statement of directors' responsibilities in respect of the financial statements**

The directors are responsible for preparing the Annual report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgments and accounting estimates that are reasonable and prudent; and
- 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 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.

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.

### **Directors' confirmations**

In the case of each director in office at the date the Directors' Report is approved:

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

## **Directors' report (*continued*)**

### **Post balance sheet events**

We are pleased to report that on 7 August 2018 the company's parent undertaking, Aston Manor Limited, was purchased by Agrial S.A.

### **Independent auditors**

In preparing this report, the directors have taken advantage of the small companies exemption provided by section 415A of the Companies Act 2006. The exemption from preparing a Strategic Report has also been taken.

Approved by the board of directors on **21** September 2018 and signed on its behalf by:



**JD Ellis**  
*Finance Director and Company Secretary*

Deykin Avenue  
Witton  
Birmingham  
B6 7BH

## **Independent auditors' report to the members of Aston Manor Freeholds Limited**

### **Report on the audit of the financial statements**

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#### **Opinion**

In our opinion, Aston Manor Freeholds Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: the statement of financial position as at 31 December 2017; the statement of comprehensive income; the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a summary of significant accounting policies.

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#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Independence**

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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#### **Conclusions relating to going concern**

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

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

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.

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#### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

## **Independent auditors' report to the members of Aston Manor Freeholds Limited**

### **Report on the audit of the financial statements (*continued*)**

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#### **Reporting on other information (*continued*)**

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

#### ***Directors' Report***

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 December 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

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#### **Responsibilities for the financial statements and the audit**

##### ***Responsibilities of the directors for the financial statements***

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements set out on page 2, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also 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.

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.

##### ***Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

##### ***Use of this report***

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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## **Other required reporting**

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#### **Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

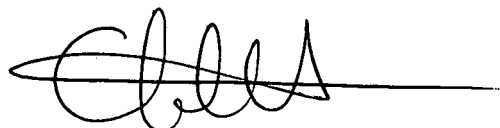
## **Independent auditors' report to the members of Aston Manor Freeholds Limited**

### **Report on the audit of the financial statements (*continued*)**

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#### **Entitlement to exemptions**

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: take advantage of the small companies exemption in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Christopher Hibbs (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Birmingham

27 September 2018



**Statement of comprehensive income**  
*for the year ended 31 December 2017*

	<i>Note</i>	<b>2017</b> £	<b>2016</b> £
<b>Turnover</b>	<b>5</b>	<b>1,101,409</b>	<b>1,367,844</b>
<b>Gross profit</b>		<b>1,101,409</b>	<b>1,367,844</b>
Administrative expenses		<b>(8,988)</b>	<b>(4,185)</b>
<b>Operating profit</b>		<b>1,092,421</b>	<b>1,363,659</b>
(Loss) / profit on revaluation of investment properties	<b>6</b>	<b>(11,818)</b>	<b>322,780</b>
Profit on sale of investment property		<b>4,043,165</b>	<b>45,000</b>
<b>Profit before investment income, interest and taxation</b>		<b>5,123,768</b>	<b>1,731,439</b>
Interest payable and similar expenses	<b>7</b>	<b>(94,904)</b>	<b>(199,267)</b>
<b>Profit before taxation</b>		<b>5,028,864</b>	<b>1,532,172</b>
Tax on profit	<b>8</b>	<b>(675,376)</b>	<b>(265,032)</b>
<b>Profit for the financial year being total comprehensive income for the financial year</b>		<b>4,353,488</b>	<b>1,267,140</b>

All turnover and operating results for the current year relate to continuing activities.

The notes on pages 10 to 18 form part of these financial statements.

**Statement of financial position**  
*at 31 December 2017*

	<i>Note</i>	<b>2017</b>		<b>2016</b>	
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Fixed assets</b>					
Investment properties	9	5,645,000		12,445,000	
<b>Current assets</b>					
Debtors	10	1,549,883		6,000	
Cash at bank and in hand		455		455	
		<u>1,550,338</u>		<u>6,455</u>	
<b>Creditors: Amounts falling due within one year</b>	11	<u>(50,481)</u>		<u>(5,660,374)</u>	
<b>Net current assets/(liabilities)</b>		<u>1,499,857</u>		<u>(5,653,919)</u>	
<b>Total assets less current liabilities</b>		<u>7,144,857</u>		<u>6,791,081</u>	
<b>Creditors: Amounts falling due after more than one year</b>	12	-		(3,884,167)	
<b>Provisions for liabilities</b>	14	<u>(8,182)</u>		<u>(123,727)</u>	
<b>Net assets</b>		<u>7,136,675</u>		<u>2,783,187</u>	
<b>Capital and reserves</b>					
Called up share capital	15	2		2	
Profit and loss account	16	<u>7,136,673</u>		<u>2,783,185</u>	
<b>Total equity</b>		<u>7,136,675</u>		<u>2,783,187</u>	

The notes on pages 10 to 18 form part of these financial statements.

The financial statements on pages 7 to 18 were approved and authorised for issue by the Board of Directors on 27 September 2018 and signed on its behalf by:



**JD Ellis**  
*Finance Director and Company Secretary*

Registered number: 07567081

**Statement of changes in equity**  
*for the year ended 31 December 2017*

	<b>Called up share capital £</b>	<b>Profit and loss account £</b>
At 1 January 2016	2	1,516,045
Profit for the financial year	-	1,267,140
Other comprehensive income	-	-
	<hr/>	<hr/>
Total comprehensive income for the year	-	1,267,140
	<hr/>	<hr/>
At 31 December 2016	2	2,783,185
	<hr/>	<hr/>
Profit for the financial year	-	4,353,488
Other comprehensive income	-	-
	<hr/>	<hr/>
Total comprehensive income for the year	-	4,353,488
	<hr/>	<hr/>
<b>At 31 December 2017</b>	<b>2</b>	<b>7,136,673</b>
	<hr/>	<hr/>

The notes on pages 10 to 18 form part of these financial statements.

## Notes

*(forming part of the financial statements)*

### 1 Company information

Aston Manor Freeholds Limited is a private company limited by shares, incorporated in the United Kingdom and registered in England.

The Company's registered office, from which it operates, is Deykin Avenue, Witton, Birmingham, B6 7BH.

The Company's principal activity is the rental of freehold property to its parent company, Aston Manor Limited.

### 2 Statement of compliance

These financial statements have been prepared in accordance with applicable United Kingdom Accounting Standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102') and the Companies Act 2006.

### 3 Summary of significant accounting policies

The principle accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied in all years presented unless otherwise stated.

These financial statements have been prepared under FRS 102.

The financial statements are presented in Sterling (£).

#### 3.1 Basis of preparation

The financial statements have been prepared on the historical cost basis modified by the revaluation of all tangible fixed assets at open market value.

In preparing these financial statements, the Company has taken advantage of the disclosure exemptions afforded in paragraph 1.12 of FRS 102. The Company's shareholders have been notified in writing and have not objected to the use of these exemptions.

The Company has taken advantage of the following disclosure exemptions:

- the requirements of Section 7 Statement of Cash Flows and Section 3 Financial Statement Presentation paragraph 3.17 (d);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7; and
- the requirements of Sections 11 and 12 Financial Instruments.

Aston Manor Freeholds Limited is a wholly owned subsidiary of Aston Manor Limited which is the smallest and largest group to consolidate the results of the Company. Copies of the consolidated financial statements of Aston Manor Limited are available from Companies House, Crown Way, Cardiff CF14 3UZ.

#### 3.2 Going concern

The financial statements have been prepared on the going concern basis, which the directors believe to be appropriate for the following reasons: The Company is dependent for its working capital on funds provided to it by Aston Manor Limited, the Company's immediate parent undertaking. Aston Manor Limited has provided the Company with an undertaking that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the Company and in particular will not seek repayment of the amounts currently made available. This should enable the Company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

**Notes** *(continued)*  
*(forming part of the financial statements)*

**3 Summary of significant accounting policies**

**3.2 Going concern** *(continued)*

Based on this undertaking, the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

**3.3 Investment properties**

Investment properties are accounted for as follows:-

- Investment properties are initially recognised at cost which includes purchase cost and any directly attributable expenditure.
- Investment properties whose fair value can be measured reliably are measured at fair value. The surplus or deficit on revaluation is recognised in the profit and loss account.

Fair value is subject to annual estimation by a qualified external surveyor.

The carrying amount of any replacement component is derecognised. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

Repairs, maintenance and minor inspection costs are expensed as incurred.

**3.4 Creditors**

Short term trade 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.

**3.5 Provisions for Liabilities**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. The unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

**3.6 Taxation**

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

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

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

If and when all conditions for retaining tax allowances for the cost of a fixed asset have been met, the deferred tax is reversed.

**Notes (continued)**  
**(forming part of the financial statements)**

**3 Summary of significant accounting policies**

**3.6 Taxation (continued)**

Deferred tax is recognised when income or expenses have been recognised, and will be assessed for tax in a future period, except where:

- the Company is able to control the reversal of the timing difference; and
- it is probable that the timing difference will not reverse in the foreseeable future.

A deferred tax liability or asset is recognised for the additional tax that will be paid or avoided in respect of assets and liabilities that are recognised in a business combination. The amount attributed to goodwill is adjusted by the amount of deferred tax recognised.

Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

The tax expense (income) is presented either in profit or loss, other comprehensive income or equity depending on the transaction that resulted in the tax expense (income).

Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors. Deferred tax assets and deferred tax liabilities are offset only if:

- the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and
- the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously.

**3.7 Turnover**

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover includes revenue earned from the lease of freehold properties. Turnover is recognised by reference to the period of the rental.

**3.8 Cash and cash equivalents**

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand. For the purpose of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

**3.9 Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**3.10 Related party transactions**

The Group discloses transactions with related parties which are not wholly owned within the same Group. Where appropriate, transactions of a similar nature are aggregated unless, in the opinion of the directors, separate disclosure is necessary to understand the effect of the transactions on the Group financial statements.

**Notes (continued)**  
*(forming part of the financial statements)*

**4 Critical accounting judgements and estimation uncertainty**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

***Key accounting estimates and assumptions***

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year as addressed below.

**(i) Valuation of investment properties**

The Group obtains external professional valuations for each of its investment properties to assess their fair values. Key assumptions underlying the valuations are considered along with the physical condition of the properties to assess a reasonable fair value.

**5 Turnover**

Turnover is derived in full from the rental of freehold properties within the UK.

**6 Profit before taxation**

	2017 £	2016 £
<i>Profit before taxation is stated after charging</i>		
Changes in fair value of investment properties	(11,818)	322,780
Net sales proceeds	10,893,165	385,000
Fair value	(6,850,000)	(340,000)
Profit on sale of investment property	4,043,165	45,000

Audit fees of £1,000 (2016: £1,000) and directors' emoluments are borne by the parent company and not recharged. The Company had no employees.

**7 Interest payable and similar expenses**

	2017 £	2016 £
Bank loans	50,523	91,796
Inter-group loans	44,634	107,471
Interest income	(253)	-
	94,904	199,267

**Notes (continued)**  
*(forming part of the financial statements)*

**8 Tax on profit**

**Analysis of charge for the year**

	2017 £	2017 £	2016 £	2016 £
<i>UK corporation tax</i>				
Current tax on income for the year	879,826		217,684	
Adjustments in respect of prior years	(5,530)		(16,683)	
	<hr/>		<hr/>	
Total current tax		874,296		201,001
<i>Deferred tax (see note 14)</i>				
Origination/reversal of timing differences	(208,864)		9,963	
Effect of changes in tax rates	24,380		(8,274)	
Adjustments in respect of prior years	(14,436)		62,342	
	<hr/>		<hr/>	
Total deferred tax		(198,920)		64,031
		<hr/>		<hr/>
Tax on profit		675,376		265,032
		<hr/>		<hr/>

**Factors affecting the tax charge for the year**

The current tax charge for the year is lower (2016: lower) than the standard rate of corporation tax in the UK of 19.25% (2016: 20.00%). The differences are explained below:

	2017 £	2016 £
<i>Total tax reconciliation</i>		
Profit before taxation	5,028,864	1,532,172
	<hr/>	<hr/>
Current tax at 19.25% (2016: 20.00%)	968,056	306,434
<i>Effects of:</i>		
Expenses not deductible	-	(8,010)
Adjustments in respect of prior years	(19,966)	45,659
Revaluations	8,486	(70,777)
Indexation on property disposals	(213,495)	-
Depreciation in excess of capital allowances	(90,685)	-
Land remediation relief	(1,400)	-
Effects of changes in tax rates	24,380	(8,274)
	<hr/>	<hr/>
Tax on profit	675,376	265,032
	<hr/>	<hr/>

The aggregate current and deferred tax relating to items that are recognised as items of other comprehensive income is £Nil (2016: £Nil).

**Factors that may affect future charges**

A change to the UK corporation tax rate was announced in the Chancellor's Budget on 8 March 2017. The change announced is to reduce the main rate to 17.00% from 1 April 2020. Changes to reduce the UK corporation tax rate to 19.00% from 1 April 2017 and to 17.00% from 1 April 2020 had already been substantively enacted on 6 September 2016.



**Notes** *(continued)*  
*(forming part of the financial statements)*

**9 Investment properties**

	<b>Freehold investment property £</b>
<i>Fair value</i>	
At 1 January 2017	12,445,000
Additions	61,818
Disposals	(6,850,000)
Surplus on valuation	(11,818)
	<hr/>
<b>At 31 December 2017</b>	<b>5,645,000</b>
	<hr/>
<i>The historical cost net book value of investment properties held at fair value is as follows:</i>	
Cost	11,974,936
Depreciation	(965,271)
	<hr/>
At 31 December 2016	11,009,665
	<hr/>
Cost	5,058,006
Depreciation	(675,486)
	<hr/>
<b>At 31 December 2017</b>	<b>4,382,520</b>
	<hr/>

Investment properties with a carrying value of £Nil (2016: £10,045,000) are pledged as security for the Company's bank loans.

**Valuation of Investment Properties**

The Company's investment properties were valued by Colliers CRE, an independent valuer with a recognised and relevant professional qualification and with recent experience in the location and category of the investment properties being valued as at 31 December 2017, on the basis of open market value in accordance with the Appraisal and Valuation Manual of The Royal Institution of Chartered Surveyors. The critical assumptions made relating to the valuation are set out below:

A physical review of each property's condition without the need for a full building survey.

A review of environmental matters including land, flooding and sustainability.

A review of town planning for each site.

A review of comparable properties in the surrounding area for each site.

A SWOT analysis of each site's facilities and their attractiveness to potential purchasers.

All properties have been valued on the basis as a comparable capital value per square foot based on an assessment that demand is expected to be likely from owner occupiers rather than investors.

Marketing periods have been individually assessed per site and range from 6-18 months.

**Notes** *(continued)*  
*(forming part of the financial statements)*

**10 Debtors**

	2017 £	2016 £
Trade debtors	-	6,000
Amounts owed by Group undertakings	1,466,508	-
Deferred taxation	83,375	-
	<u>1,549,883</u>	<u>6,000</u>

Amounts owed by Group undertakings are due on demand, unsecured and interest bearing at 1.50% above the bank's base rate. Deferred taxation provided for at 17.00% relating to fixed asset timing differences.

**11 Creditors: Amounts falling due within one year**

	2017 £	2016 £
Bank loans and overdrafts (secured – see note 13)	-	436,667
Amounts owed to Group undertakings	-	5,090,936
Corporation tax	12,981	57,928
Other taxation and social security	37,500	69,843
Accruals and deferred income	-	5,000
	<u>50,481</u>	<u>5,660,374</u>

Amounts owed to Group undertakings are repayable on demand, unsecured and interest bearing at 1.50% above the bank's base rate.

**12 Creditors: Amounts falling due after more than one year**

	2017 £	2016 £
Bank loans and overdrafts (secured – see note 13)	-	3,884,167
	<u>-</u>	<u>3,884,167</u>

**13 Borrowings**

	2017 £	2016 £
Bank and other loans:		
Due within one year	-	436,667
Due within one to two years	-	436,667
Due within two to five years	-	1,310,000
Due after five years	-	2,137,500
	<u>-</u>	<u>2,320,234</u>
Total borrowings	-	4,320,834
	<u>-</u>	<u>4,320,834</u>

During the financial year ended 31 December 2017, all bank loans were repaid in full. The bank loans were secured on the properties to which they relate. Interest is charged at 1.50% above the bank's base rate. Bank loans were repayable in monthly instalments.

**Notes (continued)**  
*(forming part of the financial statements)*

**14 Provisions for liabilities**

	<b>Total £</b>
At 1 January 2017	123,727
Adjustment in respect of prior years	(14,436)
Deferred tax charge to income statement for the year	(184,484)
Recognition of deferred tax asset (see note 10)	83,375
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<b>At 31 December 2017</b>	<b>8,182</b>
	<hr/> <hr/>

**Deferred taxation**

Deferred taxation provided for at 17.00% (2016: 17.00%) in the financial statements is set out below:

	<b>2017 £</b>	<b>2016 £</b>
Accelerated capital allowances	<b>8,182</b>	123,727
	<hr/>	<hr/>

The amount of the net reversal of deferred tax expected to occur next year is £Nil (2016: £Nil), relating to the reversal of existing timing differences on tangible fixed assets.

**15 Called up share capital**

	<b>2017 £</b>	<b>2016 £</b>
<i>Authorised, allotted and unpaid:</i>		
2 (2016: 2) ordinary shares of £1 (2016: £1) each	<b>2</b>	2
	<hr/>	<hr/>

Ordinary shares carry one voting right per share.

**16 Reserves**

Profit and loss account – includes all current and prior year retained profits and losses.

**17 Capital commitments**

The Company had capital commitments for tangible fixed assets of £Nil (2016: £Nil).

**18 Leasing commitments**

Future minimum operating lease income is as follows:

	<b>Land and buildings 2017 £</b>	<b>2016 £</b>
<i>Operating leases which expire:</i>		
Within one year	750,000	1,350,000
Within two to five years	3,000,000	5,400,000
After five years	13,500,000	25,650,000
	<hr/>	<hr/>
	<b>17,250,000</b>	<b>32,400,000</b>
	<hr/> <hr/>	<hr/> <hr/>

**Notes** *(continued)*  
*(forming part of the financial statements)*

**19 Post balance sheet event**

On 7 August 2018 Agrial S.A purchased the majority shareholding in Aston Manor Limited, being the Company's immediate parent undertaking.

**20 Ultimate controlling party**

The directors consider the ultimate controlling party to be HD Ellis, by virtue of his shareholding in Aston Manor Limited, being the Company's immediate parent undertaking. On 7 August 2018, Agrial S.A. became the ultimate controlling party through share acquisition in Aston Manor Limited.