

Axminster Group Limited
(formerly ACL Properties (2013) Limited)
Annual Report and Unaudited Financial Statements
Year Ended 30 June 2021

Registration number: 08462851

Axminster Group Limited

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Axminster Group Limited

Company Information

Directors	Mr R A Day Mr J J Dutfield
Registered office	Main Office Woodmead Road Axminster EX13 5PQ
Accountants	Francis Clark LLP Centenary House Peninsula Park Rydon Lane Exeter EX2 7XE

Axminster Group Limited

Directors' Report for the Year Ended 30 June 2021

The directors present their report and the financial statements for the year ended 30 June 2021.

Principal activity

The principal activity of the company is the letting of property.

Directors of the company

The directors who held office during the year were as follows:

Mr R A Day

Mr J J Duffield

Executive Summary

It has been a transformational 12 months for the business, with the South West property market continuing to perform well with high demand for warehousing.

After the successful purchase of Axminster Carpets Ltd, the strategy of reducing the carpet factory foot print down from 400,000 sq. ft. to 40,000 sq. ft. is now complete. The vacated areas have now been 90% let after being cleared and updated. A headline figure of nearly £5 sq. ft. is now being achieved for rents with over 60 tenants now on site. Planning consents was obtained at the Abbeygate site seeing over 1 acre for class E use. This site will now be developed out 2022/23. A number of further residential sites are now being progressed through planning.

Key highlights for 2021

- Unprecedented demand from major new tenants
- Significant increase in site value and subsidiary asset values, taking combined Group to over £14.5m (30% growth)
- Some 360,000 sq.ft. let, with only a small amount remaining at the time of writing
- Headline rent now over £5 sq.ft, a 1,000% increase vs historic rent achieved
- Further Infrastructure improvements and upgrades across the site
- Rent roll and wider revenue forecasted to be in excess of circa £1.2m by 2022
- Substantially improved tenant diversity and covenants
- Ongoing Significant opportunity for further rent role growth and planning gains
- Further residential development opportunities now in planning, existing approved sites planned to start 2023.

Looking Ahead

Group ambitions continue to be progressive, with opportunities in subsidiaries now coming to the forefront. The outlook of the Board remains to pursue entrepreneurial gains with a focus on asset growth investments that require strategic patience to unlock full value.

Axminster Group Limited

Directors' Report for the Year Ended 30 June 2021

Small companies provision statement

This report has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Approved by the Board on 28 June 2022 and signed on its behalf by:

.....

Mr J J Dutfield

Director

Axminster Group Limited

Balance Sheet

30 June 2021

	Note	2021 £	(As restated) 2020 £
Fixed assets			
Tangible assets	<u>4</u>	164,169	6,876
Investment property	<u>5</u>	11,300,000	6,700,000
Investments	<u>6</u>	400	400
		<u>11,464,569</u>	<u>6,707,276</u>
Current assets			
Debtors	<u>7</u>	1,167,891	497,495
Cash at bank and in hand		<u>45,811</u>	<u>10,979</u>
		1,213,702	508,474
Creditors: Amounts falling due within one year	<u>8</u>	<u>(543,674)</u>	<u>(363,355)</u>
Net current assets		<u>670,028</u>	<u>145,119</u>
Total assets less current liabilities		12,134,597	6,852,395
Creditors: Amounts falling due after more than one year	<u>8</u>	<u>(2,929,301)</u>	<u>(1,712,039)</u>
Provisions for liabilities		<u>(2,317,500)</u>	<u>(975,600)</u>
Net assets		<u>6,887,796</u>	<u>4,164,756</u>
Capital and reserves			
Called up share capital		65	65
Capital redemption reserve		45	45
Profit and loss account		<u>6,887,686</u>	<u>4,164,646</u>
Shareholders' funds		<u>6,887,796</u>	<u>4,164,756</u>

Axminster Group Limited

Balance Sheet

30 June 2021

For the financial year ending 30 June 2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared and delivered in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the Board on 28 June 2022 and signed on its behalf by:

.....

Mr J J Dutfield

Director

Company Registration Number: 08462851

Axminster Group Limited

Notes to the Financial Statements

Year Ended 30 June 2021

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The company was formerly known as ACL Properties (2013) Limited.

The address of its registered office and principal place of business is:

Main Office
Woodmead Road
Axminster
EX13 5PQ

These financial statements were authorised for issue by the Board on 28 June 2022.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', including Section 1A and the Companies Act 2006. There are no material departures from FRS102.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Group accounts not prepared

The group headed by Axminster Group Limited qualifies as small as set out in section 383 of the Companies Act, and the parent and group are considered eligible for the exemption from preparing group accounts, as determined by reference to sections of 384 and 399 (2A) of the Act.

Going concern

The financial statements have been prepared on a going concern basis, which assumes that the company will continue in operational existence for the foreseeable future. This depends on the continued financial support of the company's directors (and bankers).

Axminster Group Limited

Notes to the Financial Statements

Year Ended 30 June 2021

Prior period errors

Reclassification of expenses

The comparatives were restated to present the turnover and the expenses in a comparable format. Previously, such premises costs were allocated against recharged income included in turnover, these are now disclosed as gross figures for both years. Turnover was reduced by £76,115 and debited to light and heat (£28,876) and insurance (£47,239). There has been no impact on the net profit.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the provision of rental income in the ordinary course of the company's activities. Turnover is shown net of value added tax.

Government grants

Grant income is included in other operating income, it comprises the fair value of the consideration received or receivable for the year.

During the year the business received grants relating to Coronavirus Business Interruption Loan Scheme and Bounceback Loan interest payments. Interest on the loan schemes are accounted for on the accruals basis.

The total of grants received was:-

Coronavirus Business Interruption Loan Scheme £6,250 (2020: £Nil)

Bounceback Loan £625 (2020: £208)

Tax

Tax is recognised in the profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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

Deferred tax is recognised on all timing differences at the balance sheet date unless indicated below. Timing differences are differences between taxable profits and the results as stated in the profit and loss account and other comprehensive income. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Plant and machinery	20% Straight line basis

Axminster Group Limited

Notes to the Financial Statements

Year Ended 30 June 2021

Investment property

Investment property is carried at fair value, derived from the current market prices for comparable property as determined by external qualified valuers. Changes in fair value are recognised in the profit or loss.

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Axminster Group Limited

Notes to the Financial Statements

Year Ended 30 June 2021

Financial instruments

Classification

The company holds the following financial instruments:

- Short term trade and other debtors and creditors;
- Unsecured debentures;
- Loans; and
- Cash and bank balances.

All financial instruments are classified as basic.

Recognition and measurement

The company has chosen to apply the recognition and measurement principles in FRS102.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument and derecognised when in the case of assets, the contractual rights to cash flows from the assets expire or substantially all the risks and rewards of ownership are transferred to another party, or in the case of liabilities, when the company's obligations are discharged, expire or are cancelled.

Except for bank loans, such instruments are initially measured at transaction price, including transaction costs, and are subsequently carried at the undiscounted amount of the cash or other consideration expected to be paid or received, after taking account of impairment adjustments.

Bank loans are initially measured at transaction price, including transaction costs, and are subsequently carried at amortised cost using the effective interest method.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 0 (2020 - 0).

Axminster Group Limited

Notes to the Financial Statements

Year Ended 30 June 2021

4 Tangible assets

	Plant and machinery £	Total £
Cost or valuation		
At 1 July 2020	10,509	10,509
Additions	173,537	173,537
At 30 June 2021	184,046	184,046
Depreciation		
At 1 July 2020	3,633	3,633
Charge for the year	16,244	16,244
At 30 June 2021	19,877	19,877
Carrying amount		
At 30 June 2021	164,169	164,169
At 30 June 2020	6,876	6,876

5 Investment properties

	2021 £
At 1 July 2020	6,700,000
Additions	547,421
Fair value adjustments	4,052,579
At 30 June 2021	11,300,000

The investment property has been measured at fair value which is the open market value of the property based on a valuation by an independent valuer.

The property was valued in September 2021 by an external valuer (Symonds and Sampson LLP) on a 10% capitalised rental yield basis. The directors believe this fairly reflects the valuation at 30 June 2021 based on rental agreements in place or negotiated at that date.

Axminster Group Limited

Notes to the Financial Statements

Year Ended 30 June 2021

6 Investments

	2021 £	2020 £
Investments in subsidiaries	400	400
Subsidiaries		£
Cost or valuation		
At 1 July 2020		400
Carrying amount		
At 30 June 2021		400
At 30 June 2020		400

7 Debtors

	2021 £	2020 £
Trade debtors	90,411	88,908
Amounts due from group undertakings	742,208	183,869
Other debtors	134,086	26,982
Prepayments	201,186	197,736
	1,167,891	497,495

Axminster Group Limited

Notes to the Financial Statements

Year Ended 30 June 2021

8 Creditors

Creditors: amounts falling due within one year

	Note	2021 £	2020 £
Due within one year			
Loans and borrowings	<u>9</u>	135,764	220,066
Trade creditors		329,025	107,787
Amounts owed to group undertakings		-	12,756
Taxation and social security		9,368	13,086
Accruals and deferred income		65,622	9,150
Other creditors		3,895	510
		<u>543,674</u>	<u>363,355</u>

Creditors: amounts falling due after more than one year

	Note	2021 £	2020 £
Due after one year			
Loans and borrowings	<u>9</u>	<u>2,929,301</u>	<u>1,712,039</u>
		2021 £	2020 £
Due after more than five years			
After more than five years by instalments		785,732	691,784
		<u>785,732</u>	<u>691,784</u>

9 Loans and borrowings

	2021 £	2020 £
Loans and borrowings due after one year		
Bank borrowings	1,396,635	968,183
Hire purchase contracts	88,509	-
Unsecured debentures	649,935	649,935
Other borrowings	794,222	93,921
	<u>2,929,301</u>	<u>1,712,039</u>

Axminster Group Limited

Notes to the Financial Statements

Year Ended 30 June 2021

	2021 £	2020 £
Current loans and borrowings		
Bank borrowings	98,669	95,616
Bank overdrafts	-	124,450
Hire purchase contracts	37,095	-
	<u>135,764</u>	<u>220,066</u>

Bank borrowings

Bank loans are denominated in sterling and the final instalment is due on 18 June 2034. The carrying amount at year end is £1,495,305 (2020 - £1,063,801).

There are four bank loans repayable by instalments and with fixed charges over the investment property and floating charges over all the property and undertakings of the company. A personal guarantee has also been provided by the directors of the company.

Two of the loans incur interest at 4.05%, one incurs interest at 4.2% over base rate and one bears an interest rate of 4%, and carries the same repayment terms as the existing loan facilities.

Also included in borrowings is a Coronavirus Business Interruption Loan Scheme which has no security provided and incurs interest. The first 12 months' interest payments are reimbursed by the Government.

Other borrowings

The unsecured loan notes and other borrowings totalling £1,444,157 (2020 - £743,856) are owed to the directors of the company. Whilst the amounts are repayable to the directors, their intention is to provide long-term funding to the company and will not seek repayment for the foreseeable future.

The hire purchase agreements are secured over the assets to which it relates to.

Borrowings due after five years

Included in bank borrowings due after more than one year is £829,892 (2020 - £691,784) relating to the five bank loans, due after five years and payable by instalments.

Axminster Group Limited

Notes to the Financial Statements

Year Ended 30 June 2021

10 Non-distributable reserves

Included in the profit and loss reserves are non-distributable reserves of £4,957,289 (2020 - £2,276,357).

11 Share capital

Allotted, called up and fully paid shares

	No.	2021 £	No.	2020 £
Ordinary shares of £1 each	65	65	65	65

12 Related party transactions

Summary of transactions with all subsidiaries

The company has taken advantage of the exemption under FRS 102 not to disclose transactions between wholly owned group companies.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.