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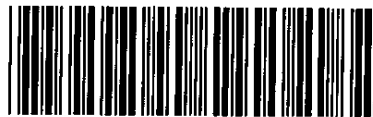
Bayford & Co Limited

Registered number: 04928440

Annual report and consolidated financial statements

For the year ended 30 June 2019

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BAYFORD & CO LIMITED

COMPANY INFORMATION

Directors	JCD Turner LEM Austin (appointed 8 January 2019) C Ritchie
Registered number	04928440
Registered office	Bowcliffe Hall Bramham Wetherby LS23 6LP
Independent auditors	Mazars LLP Chartered Accountants & Statutory Auditor 5th Floor 3 Wellington Place Leeds LS1 4AP

BAYFORD & CO LIMITED

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BAYFORD & CO LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 30 JUNE 2019

Introduction

During the year Bayford & Co Limited ("Bayford" or "the Group") provided Gas and Electricity supply, property investment / development services, hospitality services and provided management services to related and unrelated companies.

Business review

The Group produced a profit before tax for the financial year of £23.5m (2018: profit of £17.5m).

On the 4th January 2019 Bayford sold 80% of its shareholding in The Right Fuel Card Company Limited to Edenred and Mobility SAS for £45.8m. The Group has retained a 10% shareholding in the company.

The Group trades through two Gas and Power businesses. Gulf Gas and Power BV trades in Holland with 35% shares held by Bayford & Co. Bayford also holds a 10% shareholding in Gas and Power Limited which trades in the U.K.

In November 2019 Bayford purchased an additional 14% of the ordinary share capital in Gas and Power Limited, taking the Group's total shareholding to 24%.

Bayford & Co Limited and connected parties have made a strategic investment in Fulcrum PLC throughout 2019, culminating in owning an 11% stake in the company.

As of 9th March 2020, the Group acquired 100% of the ordinary share capital in E (Gas and Electricity) Limited.

Principal risks and uncertainties

The Directors are aware of the various inherent risks in the business and meet on a frequent basis to consider them. The key business risk is return on capital from the investment portfolio and the business stringently reviews all investments versus their business plans and tracks any variance accordingly. At this time, the Group does not see an immediate risk owing to Brexit, although the Directors will closely monitor this.

Although the full impact of the current Covid-19 coronavirus pandemic is not clear it is having a significant detrimental impact on the overall economy. We expect this detrimental impact to be short lived and this will, we hope, be followed by a gradual recovery. However, it is not currently possible to evaluate all of the potential implications to the Group's trade, customers, suppliers, and the wider economy.

Given the Group had significant cash of £14m, tangible assets of £7m, investment property of £24m and external debt of only £3m as at 30 June 2019 and this broadly remains the case today the directors consider the Group and company are well placed to manage the risks associated with and detrimental impact of Covid-19 coronavirus. We will also continue to maintain close relationships and dialogue with customers and suppliers as the situation develops.

As a result of its strong balance sheet position and positive trading result the Group is considered to have sufficient funds to meet its liabilities as they fall due. Having taken into account reasonably possible changes in trading performance over the next 12 months, the directors have concluded that the Group will have adequate resources to continue in operational existence for the foreseeable future, for additional details on the Director's going concern assessment please see note 2.3.

BAYFORD & CO LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019**

Financial key performance indicators

The Group uses management accounts together with monthly Board reports and in-depth analysis by entity. Specifically, Gas and Power has multiple KPIs focused on volume/margin/cost to serve/profit. For the Property business tenancy KPIs are produced and monitored. For Hospitality KPI tracking includes detail such as occupancy/covers/average transaction value. All of the above is underpinned with daily cash flows and working capital.

This report was approved by the board on **1 April 2020** and signed on its behalf.



JCD Turner
Director

BAYFORD & CO LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

The directors present their report and the financial statements for the year ended 30 June 2019.

Directors' responsibilities statement

The directors are responsible for preparing the group strategic report, the directors' report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 Company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

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

Results and dividends

The profit for the year, after taxation, amounted to £23,983,201 (2018 - £17,699,183).

Directors

The directors who served during the year were:

JCD Turner
LEM Austin (appointed 8 January 2019)
C Ritchie

Future developments

The energy market that Bayford has been in for over 100 years is changing faster than ever before. Bayford is investing in new technologies and IT systems to help reduce the country's carbon footprint. Working alongside partners who share the vision of mass market decarbonisation Bayford businesses will launch innovative products into rapidly developing energy markets. Bayford and its asset financing partners will ensure that this is done by creating clean, smart energy systems.

BAYFORD & CO LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019**

Disclosure of information to auditors

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

Post balance sheet events

In November 2019 Bayford purchased an additional 14% of the ordinary share capital in Gas and Power Limited, taking the Group's total shareholding to 24%.

On 10 March 2020 the company acquired 100% of the ordinary share capital of E (Gas Electricity) Limited.

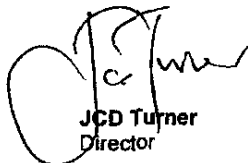
Auditors

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

This report was approved by the board on

1 April 2020

and signed on its behalf.



JCD Turner
Director

BAYFORD & CO LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BAYFORD & CO LIMITED

Opinion

We have audited the financial statements of Bayford & Co Limited (the "Parent Company") and its subsidiaries (the "Group") for the year ended 30 June 2019 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company balance sheets, the Consolidated and Company statement of changes in equity, the Consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group and the Parent Company's affairs as at 30 June 2019 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Emphasis of matter – Impact of the outbreak of COVID-19 on the financial statements

In forming our opinion on the Group financial statements, which is not modified, we draw your attention to the directors' view on the impact of the COVID-19 as disclosed on page 1 and the consideration in the going concern basis of preparation on page 16.

Since the balance sheet date there has been a global pandemic from the outbreak of COVID-19. The potential impact of COVID-19 became significant in March 2020 and is causing widespread disruption to normal patterns of business activity across the world, including the UK.

The full impact following the recent emergence of the COVID-19 is still unknown. It is therefore not currently possible to evaluate all the potential implications to the Company and Group's trade, customers, suppliers and the wider economy.

BAYFORD & CO LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BAYFORD & CO LIMITED

Conclusions relating to going concern

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

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Group and Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

BAYFORD & CO LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BAYFORD & CO LIMITED

Responsibilities of Directors

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

In preparing the financial statements, the directors are responsible for assessing the Group or 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 the directors intend to liquidate the Group or Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the audit report

This report is made solely to the Group's and Parent 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 Group's and Parent 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 Group and Parent Company and the Group's and Parent Company's members as a body for our audit work, for this report, or for the opinions we have formed.



Shaun Mullins (Senior statutory auditor)

for and on behalf of

Mazars LLP
Chartered Accountants and Statutory Auditor
5th Floor
3 Wellington Place
Leeds
LS1 4AP

Date: 7 April 2020

BAYFORD & CO LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019**

	Note	2019 £	2018 £
Turnover	4	3,903,705	17,311,899
Cost of sales		(1,391,024)	(14,740,381)
Gross profit		<u>2,512,681</u>	<u>2,571,518</u>
Administrative expenses		(7,610,787)	(4,287,676)
Operating loss	5	<u>(5,098,106)</u>	<u>(1,716,158)</u>
Income from associated undertakings	15	(611,371)	(524,752)
Income from joint ventures	15	605,807	2,230,158
Movement in fair value of investment property	16	(634,358)	-
Movement in fair value of investments	15	6,273,675	-
Profit on disposal of fixed asset investments	15	23,341,664	18,209,529
Interest receivable and similar income	9	392,370	123,072
Interest payable and expenses	10	(748,401)	(810,506)
Profit before taxation		<u>23,521,280</u>	<u>17,511,343</u>
Tax on profit	11	461,921	187,840
Profit for the financial year		<u><u>23,983,201</u></u>	<u><u>17,699,183</u></u>
Profit for the year attributable to:			
Non-controlling interests		-	97,653
Owners of the parent Company		23,983,201	17,601,530
		<u><u>23,983,201</u></u>	<u><u>17,699,183</u></u>

The notes on pages 15 to 43 form part of these financial statements.

BAYFORD & CO LIMITED
REGISTERED NUMBER: 04928440

CONSOLIDATED BALANCE SHEET
AS AT 30 JUNE 2019

	Note	2019 £	2018 £
Fixed assets			
Intangible assets	13	-	747,701
Tangible assets	14	7,194,511	7,448,157
Investments	15	24,460,740	31,085,545
Investment property	16	23,796,527	27,446,315
		<u>55,451,778</u>	<u>66,727,718</u>
Current assets			
Stocks	17	345,434	639,330
Debtors: amounts falling due within one year	18	1,631,610	3,142,410
Cash at bank and in hand	19	14,594,944	674,381
		<u>16,571,988</u>	<u>4,456,121</u>
Creditors: amounts falling due within one year	20	(6,267,277)	(3,136,425)
Net current assets		<u>10,304,711</u>	<u>1,319,696</u>
Total assets less current liabilities		<u>65,756,489</u>	<u>68,047,414</u>
Creditors: amounts falling due after more than one year	21	-	(24,825,777)
Provisions for liabilities			
Deferred taxation	24	-	(574,572)
Net assets		<u>65,756,489</u>	<u>42,647,065</u>
Capital and reserves			
Called up share capital	25	1,002	1,002
Share premium account	26	5,639,999	5,639,999
Revaluation reserve	26	662,745	1,586,838
Profit and loss account	26	59,452,743	35,419,226
		<u>65,756,489</u>	<u>42,647,065</u>

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


JGD Turner
 Director

1 April 2020

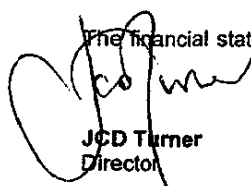
The notes on pages 15 to 43 form part of these financial statements.

BAYFORD & CO LIMITED
REGISTERED NUMBER: 04928440

COMPANY BALANCE SHEET
AS AT 30 JUNE 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	14	5,513,863	5,151,143
Investments	15	28,545,598	34,931,518
Investment property	16	13,406,527	17,206,315
		<u>47,465,988</u>	<u>57,288,976</u>
Current assets			
Stocks	17	131,728	562,731
Debtors: amounts falling due within one year	18	4,201,886	5,529,815
Cash at bank and in hand	19	14,318,310	230,654
		<u>18,651,924</u>	<u>6,323,200</u>
Creditors: amounts falling due within one year	20	(2,763,390)	(2,074,701)
Net current assets		<u>15,888,534</u>	<u>4,248,499</u>
Total assets less current liabilities		<u>63,354,522</u>	<u>61,537,475</u>
Creditors: amounts falling due after more than one year	21	-	(21,663,013)
Provisions for liabilities			
Deferred taxation	24	-	(417,353)
Net assets		<u>63,354,522</u>	<u>39,457,109</u>
Capital and reserves			
Called up share capital	25	1,002	1,002
Share premium account	26	5,639,999	5,639,999
Revaluation reserve	26	-	1,232,739
Profit and loss account		57,713,521	32,583,369
		<u>63,354,522</u>	<u>39,457,109</u>

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


JCD Turner
 Director

1 April 2020

The notes on pages 15 to 43 form part of these financial statements.

BAYFORD & CO LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019**

	Called up share capital	Share premium account	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 July 2017	1,002	5,639,999	1,586,838	17,817,696	25,045,535
Comprehensive income for the year					
Profit for the year	-	-	-	17,601,530	17,601,530
At 1 July 2018	1,002	5,639,999	1,586,838	35,419,226	42,647,065
Comprehensive income for the year					
Profit for the year	-	-	-	23,983,201	23,983,201
Deferred tax movements	-	-	-	220,448	220,448
Property revaluation	-	-	(1,094,225)	-	(1,094,225)
Transfer to/from profit and loss account	-	-	-	(170,132)	(170,132)
Transfer between other reserves	-	-	170,132	-	170,132
At 30 June 2019	1,002	5,639,999	662,745	59,452,743	65,756,489

The notes on pages 15 to 43 form part of these financial statements.

BAYFORD & CO LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019**

	Called up share capital	Share premium account	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 July 2017	1,002	5,639,999	1,232,739	13,483,675	20,357,415
Comprehensive income for the year					
Profit for the year	-	-	-	19,099,694	19,099,694
At 1 July 2018	1,002	5,639,999	1,232,739	32,583,369	39,457,109
Comprehensive income for the year					
Profit for the year	-	-	-	24,920,587	24,920,587
Deferred tax movements	-	-	-	209,565	209,565
Property revaluation	-	-	(1,232,739)	-	(1,232,739)
At 30 June 2019	1,002	5,639,999	-	57,713,521	63,354,522

The notes on pages 15 to 43 form part of these financial statements.

BAYFORD & CO LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2019**

	2019 £	2018 £
Cash flows from operating activities		
Profit for the financial year	23,983,201	17,699,183
Adjustments for:		
Impairment of intangible assets	747,701	-
Depreciation of tangible assets	738,346	752,138
Impairments of fixed assets	1,551,127	-
Impairment of fixed asset investments	78,982	-
Loss on disposal of tangible assets	(8,845)	-
Loss on disposal of investment property	168,510	-
Interest paid	748,401	811,276
Interest received	(392,370)	(123,072)
Taxation charge	(461,921)	(187,840)
Decrease in stocks	293,897	203,230
Decrease/(increase) in debtors	1,587,845	(4,393,348)
Increase in creditors	1,018,218	2,424,191
Net fair value (gains)/losses recognised in P&L	(5,639,317)	-
Share of operating (loss) in joint ventures	(605,807)	(2,230,158)
Share of operating profit in associates	611,371	524,612
Profit on disposal of subsidiary	(23,341,664)	(18,209,529)
Corporation tax received/(paid)	-	(465,970)
Net cash generated from operating activities	1,077,675	(3,195,287)
Cash flows from investing activities		
Purchase of tangible fixed assets	(1,301,185)	(1,647,597)
Sale of tangible fixed assets	8,845	582,000
Purchase of investment properties	(24,273)	(6,177,092)
Sale of investment properties	1,042,326	-
Purchase of listed investments	(3,107,269)	-
Purchase of unlisted and other investments	(217,441)	-
Sale of unlisted and other investments	-	(29,424,317)
Purchase of share in associates	(6,846,507)	-
Income from investments	-	1,000,000
Purchase of subsidiary (net of cash)	-	(1,357,000)
Sale of share in joint ventures	46,332,379	23,036,929
Interest received	392,370	123,072
Net cash from investing activities	36,279,245	(13,864,005)

BAYFORD & CO LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019

	2019 £	2018 £
Cash flows from financing activities		
New loans	-	14,968,678
Repayment of other loans	(22,687,956)	(1,171,003)
Interest paid	(748,401)	(811,276)
Net cash used in financing activities	(23,436,357)	12,986,399
Net increase/(decrease) in cash and cash equivalents	13,920,563	(4,072,893)
Cash and cash equivalents at beginning of year	674,381	4,747,274
Cash and cash equivalents at the end of year	14,594,944	674,381
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	14,594,944	674,381

The notes on pages 15 to 43 form part of these financial statements.

BAYFORD & CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

1. General information

Bayford & Co Limited (the "Company") is a company limited by shares and incorporated in England and Wales and domiciled in the UK. The principle activity of the Company is property investment.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements.

The parent company is included in the consolidated financial statements and is considered to be a qualifying entity under FRS102 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:

- No separate parent company cash flow statement with related notes is included;
- Key management personnel compensation has not been included a second time; and
- The disclosures required by FRS102.11 Basic Financial Instruments and FRS102.12 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 following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 July 2017.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

2. Accounting policies (continued)

2.3 Going concern

The Group has net assets at 30 June 2019 of £65,756,489 (2018: £42,647,065) and cash balances of £14,594,944 (2018: £674,381).

Although the full impact of the current Covid 19 coronavirus pandemic is not clear it is having a significant detrimental impact on the overall economy. The directors expect this detrimental impact to be short lived and this will, we hope, be followed by a gradual recovery. Given the Group had significant cash and net assets balances at the year end and this broadly remains the case today the directors consider the Group and company are well placed to manage the risks associated with and detrimental impact of Covid 19 coronavirus. They will also continue to maintain close relationships and dialogue with customers and suppliers as the situation develops.

As a result of its strong balance sheet position and positive trading result the Group is considered to have sufficient funds to meet its liabilities as they fall due. Having taken into account reasonably possible changes in trading performance over the next 12 months, the directors have concluded that the Group will have adequate resources to continue in operational existence for the foreseeable future. For these reasons the directors continue to adopt a going concern status in the preparation of these financial statements.

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the consolidated statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the consolidated statement of comprehensive income within 'other operating income'.

BAYFORD & CO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

2. Accounting policies (continued)**2.5 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.6 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the consolidated statement of comprehensive income on a straight line basis over the lease term.

2.7 Interest income

Interest income is recognised in the consolidated statement of comprehensive income using the effective interest method.

2.8 Finance costs

Finance costs are charged to the consolidated statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

2. Accounting policies (continued)

2.9 Borrowing costs

All borrowing costs are recognised in the consolidated statement of comprehensive income in the year in which they are incurred.

2.10 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the consolidated statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

2.11 Current and deferred taxation

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

BAYFORD & CO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

2. Accounting policies (continued)**2.12 Intangible assets****Goodwill**

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the consolidated statement of comprehensive income over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.13 Tangible fixed assets

Tangible fixed assets under the cost model, other than investment properties, are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

2. Accounting policies (continued)

2.13 Tangible fixed assets (continued)

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Certain historic antiques and art included within fixtures and fittings are not depreciated on the basis that they are considered non-depreciating assets.

Depreciation is provided on the remaining assets on the following basis:

Freehold property	- 2% - 5% straight line
Plant & machinery	- 10% - 33% straight line
Motor vehicles	- 33% straight line
Fixtures & fittings	- 10% - 33% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the consolidated statement of comprehensive income.

2.14 Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the balance sheet date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in the consolidated statement of comprehensive income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

2.15 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

BAYFORD & CO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

2. Accounting policies (continued)**2.16 Investment property**

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the consolidated statement of comprehensive income.

2.17 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Group shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the consolidated statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

2.18 Associates and joint ventures

An entity is treated as a joint venture where the Group is a party to a contractual agreement with one or more parties from outside the Group to undertake an economic activity that is subject to joint control.

An entity is treated as an associated undertaking where the Group exercises significant influence in that it has the power to participate in the operating and financial policy decisions.

In the consolidated accounts, interests in associated undertakings are accounted for using the equity method of accounting. Under this method an equity investment is initially recognised at the transaction price (including transaction costs) and is subsequently adjusted to reflect the investors share of the profit or loss, other comprehensive income and equity of the associate. The consolidated statement of comprehensive income includes the Group's share of the operating results, interest, pre-tax results and attributable taxation of such undertakings applying accounting policies consistent with those of the Group. In the consolidated balance sheet, the interests in associated undertakings are shown as the Group's share of the identifiable net assets, including any unamortised premium paid on acquisition.

Any premium on acquisition is dealt with in accordance with the goodwill policy.

2.19 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

2. Accounting policies (continued)

2.20 Debtors

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

2.21 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.22 Creditors

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

2.23 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the consolidated statement of comprehensive income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the balance sheet.

2.24 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

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

BAYFORD & CO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

2. Accounting policies (continued)**2.24 Financial instruments (continued)**

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

- at fair value with changes recognised in the consolidated statement of comprehensive income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

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

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

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

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

3. Judgments in applying accounting policies and key sources of estimation uncertainty**Investment property valuation**

Investment properties are subject to valuation on an annual basis by an appropriately qualified valuer. These valuations are inherently judgemental, but the board believe the surveyors responsible are appropriately qualified and experienced.

Associate companies

The Group owns 35% of Gulf Gas and Power BV. As a result, this investment has been treated as an associate due to the presumption of significant influence.

As in FRS 102 Par 14.2, significant influence is presumed to exist when the investor holds, directly or indirectly, 20 percent or more of the voting power of an associate. Conversely, if less than 20 percent is held, it is presumed that the investor does not have significant influence.

The directors have considered other facts and circumstances relating to the right to participate in financial and operating policy decisions of the associate and have seen no reason to rebut this presumption.

BAYFORD & CO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

4. Turnover

An analysis of turnover by class of business is as follows:

	2019 £	2018 £
Fuelcard services	-	14,400,802
Rental income	1,964,699	1,859,395
Management services	102,188	203,887
Hospitality services	1,836,819	847,815
	<u>3,903,706</u>	<u>17,311,899</u>

All turnover arose within the United Kingdom.

5. Operating loss

The operating loss is stated after charging:

	2019 £	2018 £
Depreciation and other amounts written off tangible fixed assets	2,289,473	554,000
Amortisation and other amounts written off intangibles	747,701	169,000
Exchange differences	1,241	(1,302)
	<u>3,038,415</u>	<u>721,698</u>

6. Auditors' remuneration

	2019 £	2018 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	<u>35,000</u>	<u>28,000</u>
Fees payable to the Group's auditor and its associates in respect of:		
All other services	<u>8,250</u>	<u>11,000</u>
	<u>8,250</u>	<u>11,000</u>

BAYFORD & CO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

7. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 2019 £	Group 2018 £
Wages and salaries	2,729,860	1,864,033
Social security costs	272,197	171,006
Cost of defined contribution scheme	110,576	97,097
	<u>3,112,633</u>	<u>2,132,136</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2019 No.	2018 No.
Administration	46	39
Property	8	7
	<u>54</u>	<u>46</u>

The Company has no employees other than the directors, who did not receive any remuneration (2018 - £NIL).

8. Directors' remuneration

	2019 £	2018 £
Directors' emoluments	694,375	253,412
Company contributions to defined contribution pension schemes	23,082	11,770
	<u>717,457</u>	<u>265,182</u>

The highest paid director received remuneration of £271,635 (2018 - £146,095).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £13,082 (2018 - £NIL).

There were two directors in the group's defined contribution pension scheme during the year (2018: one).

BAYFORD & CO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

9. Interest receivable

	2019 £	2018 £
Interest receivable from associated undertakings	392,370	106,857
Other interest receivable	-	16,215
	<u>392,370</u>	<u>123,072</u>

10. Interest payable and similar expenses

	2019 £	2018 £
Bank interest payable	113,098	192,553
Other loan interest payable	635,303	617,953
	<u>748,401</u>	<u>810,506</u>

11. Taxation

	2019 £	2018 £
Corporation tax		
Current tax on profits for the year	-	19,406
Adjustments in respect of previous periods	(30,753)	13,764
Total current tax	<u>(30,753)</u>	<u>33,170</u>
Deferred tax		
Origination and reversal of timing differences	(459,671)	(258,211)
Changes to tax rates	48,384	-
Adjustments in respect of prior periods	(19,881)	37,201
Total deferred tax	<u>(431,168)</u>	<u>(221,010)</u>
Taxation on loss on ordinary activities	<u>(461,921)</u>	<u>(187,840)</u>

There is a tax credit included in total other comprehensive income amounting to £220,448 (2018: £Nil).

BAYFORD & CO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

11. Taxation (continued)**Factors affecting tax charge for the year**

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

	2019 £	2018 £
Profit on ordinary activities before tax	23,521,280	17,511,343
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	4,469,043	3,327,155
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	286,020	148,080
Rollover relief on profit on disposal of fixed assets	2,980	-
Adjustments to tax charge in respect of prior periods	(69,434)	13,764
Non-taxable income less expenses not deductible for tax purposes, other than goodwill and impairment	(6,047,949)	(3,530,000)
Changes in tax rates leading to an increase (decrease) in the tax charge	48,386	-
Deferred tax not provided	828,886	-
Other differences leading to an increase (decrease) in the tax charge	20,147	(146,839)
Total tax charge for the year	(461,921)	(187,840)

Factors that may affect future tax charges

A reduction in the UK Corporation tax rate from 19% to 17% (effective from 1 April 2020) was substantively enacted in September 2016 and has therefore been considered when calculating deferred tax at the reporting date. Deferred tax balances at the reporting date are measured at 17% (2018: 17%).

12. Parent company profit for the year

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements. The profit after tax of the parent Company for the year was £24,920,587 (2018 - £19,099,694).

BAYFORD & CO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

13. Intangible assets**Group and Company**

	Goodwill £
Cost	
At 1 July 2018	801,000
At 30 June 2019	<u>801,000</u>
Amortisation	
At 1 July 2018	53,299
Impairment charge	747,701
At 30 June 2019	<u>801,000</u>
Net book value	
At 30 June 2019	<u>-</u>
At 30 June 2018	<u>747,701</u>

During the year an impairment review was undertaken in relation to the goodwill balance. Following this exercise the balance has been fully impaired during the year.

BAYFORD & CO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

14. Tangible fixed assets

Group

	Freehold property £	Plant & machinery £	Motor vehicles £	Fixtures & fittings £	Total £
Cost or valuation					
At 1 July 2018	6,151,677	4,055,772	76,230	12,338	10,296,017
Additions	450,193	821,436	16,800	12,756	1,301,185
Disposals	-	-	(2,450)	-	(2,450)
Transfers between classes	-	-	-	596,128	596,128
Revaluations	138,514	-	-	-	138,514
At 30 June 2019	<u>6,740,384</u>	<u>4,877,208</u>	<u>90,580</u>	<u>621,222</u>	<u>12,329,394</u>
Depreciation					
At 1 July 2018	719,918	2,076,301	49,668	1,974	2,847,861
Charge for the year on owned assets	152,046	568,550	12,821	4,928	738,345
Disposals	-	-	(2,450)	-	(2,450)
Impairment charge	319,219	1,231,908	-	-	1,551,127
At 30 June 2019	<u>1,191,183</u>	<u>3,876,759</u>	<u>60,039</u>	<u>6,902</u>	<u>5,134,883</u>
Net book value					
At 30 June 2019	<u>5,549,201</u>	<u>1,000,449</u>	<u>30,541</u>	<u>614,320</u>	<u>7,194,511</u>
At 30 June 2018	<u>5,431,759</u>	<u>1,979,471</u>	<u>26,563</u>	<u>10,364</u>	<u>7,448,157</u>

The net book value of land and buildings may be further analysed as follows:

	2019 £	2018 £
Freehold	<u>5,549,201</u>	<u>5,468,380</u>

BAYFORD & CO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

14. Tangible fixed assets (continued)

Company

	Freehold property £	Plant & machinery £	Motor vehicles £	Fixtures & fittings £	Total £
Cost or valuation					
At 1 July 2018	4,897,453	2,049,073	76,230	-	7,022,756
Additions	-	174,737	16,800	-	191,537
Disposals	-	-	(2,450)	-	(2,450)
Transfers between classes	-	-	-	596,128	596,128
At 30 June 2019	<u>4,897,453</u>	<u>2,223,810</u>	<u>90,580</u>	<u>596,128</u>	<u>7,807,971</u>
Depreciation					
At 1 July 2018	448,966	1,372,980	49,668	-	1,871,614
Charge for the year on owned assets	152,046	260,077	12,821	-	424,944
Disposals	-	-	(2,450)	-	(2,450)
At 30 June 2019	<u>601,012</u>	<u>1,633,057</u>	<u>60,039</u>	<u>-</u>	<u>2,294,108</u>
Net book value					
At 30 June 2019	<u>4,296,441</u>	<u>590,753</u>	<u>30,541</u>	<u>596,128</u>	<u>5,513,863</u>
At 30 June 2018	<u>4,448,487</u>	<u>676,093</u>	<u>26,563</u>	<u>-</u>	<u>5,151,143</u>

The net book value of land and buildings may be further analysed as follows:

	2019 £	2018 £
Freehold	<u>4,296,441</u>	<u>4,448,488</u>

BAYFORD & CO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

15. Fixed asset investments**Group**

	Investments in associates £	Listed investments £	Other fixed asset investments £	Investment in joint ventures £	Total £
Cost or valuation					
At 1 July 2018	2,051,560	-	1,063,289	27,970,696	31,085,545
Additions	6,846,507	3,107,269	217,441	-	10,171,217
Disposals	37,447	-	(405,574)	(22,622,588)	(22,990,715)
Revaluations	-	164,869	-	6,108,806	6,273,675
Transfers intra group	(4,753,961)	-	16,210,875	(11,456,914)	-
At 30 June 2019	4,181,553	3,272,138	17,086,031	-	24,539,722
Impairment					
Charge for the period	-	-	78,982	-	78,982
At 30 June 2019	-	-	78,982	-	78,982
Net book value					
At 30 June 2019	4,181,553	3,272,138	17,007,049	-	24,460,740
At 30 June 2018	2,051,560	-	1,063,289	27,970,696	31,085,545

BAYFORD & CO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

15. Fixed asset investments (continued)

Company

	Investment in subsidiary companies £	Investment in associates £	Listed investments £	Other fixed asset investments £	Investment in joint ventures £	Total £
Cost or valuation						
At 1 July 2018	4,592,810	2,929,903	-	668,267	26,740,538	34,931,518
Additions	1,515,431	7,457,878	3,107,269	206,885	-	12,287,463
Disposals	-	-	-	-	(21,392,430)	(21,392,430)
Revaluations	-	-	164,869	-	6,108,806	6,273,675
Transfers intra group	-	(5,000,000)	-	16,456,914	(11,456,914)	-
At 30 June 2019	6,108,241	5,387,781	3,272,138	17,332,066	-	32,100,226
Impairment						
Charge for the period	3,475,646	-	-	78,982	-	3,554,628
At 30 June 2019	3,475,646	-	-	78,982	-	3,554,628
Net book value						
At 30 June 2019	2,632,595	5,387,781	3,272,138	17,253,084	-	28,545,598
At 30 June 2018	4,592,810	2,929,903	-	668,267	26,740,538	34,931,518

On 4 January 2019 the group disposed of 40% of its shareholding in The Right Fuelcard Company Limited to Edenread Fleet and Mobility SAS for consideration of £45,828,000.

BAYFORD & CO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

15. Fixed asset investments (continued)**Subsidiary and associated undertakings**

The undertakings in which the company's interest at the year end is 20% or more are as follows:

Name	Registered office	Principal activity	Holding
Bayford & Co (Developments) Limited	Bowcliffe Hall, Bramham, Wetherby, LS23 6LP	Property management	100%
Jaytee (Northallerton) Limited	Bowcliffe Hall, Bramham, Wetherby, LS23 6LP	Property management	100%
Jaytee F&B Limited	Bowcliffe Hall, Bramham, Wetherby, LS23 6LP	Hospitality	100%
Thrust Petroleum Limited	Bowcliffe Hall, Bramham, Wetherby, LS23 6LP	Non-trading	100%
Countrywide Derv Limited	Bowcliffe Hall, Bramham, Wetherby, LS23 6LP	Non-trading	100%
Truckhaven Limited	Bowcliffe Hall, Bramham, Wetherby, LS23 6LP	Non-trading	100%
Jaytee (UK) Limited	Bowcliffe Hall, Bramham, Wetherby, LS23 6LP	Non-trading	100%
Countrywide Fuelcards Limited	Bowcliffe Hall, Bramham, Wetherby, LS23 6LP	Non-trading	100%
Jaytee Fambo Limited	Bowcliffe Hall, Bramham, Wetherby, LS23 6LP	Non-trading	76%
Gulf Gas and Power BV	Vughterweg 47B, 5211 CK's Hertogenbosche, Netherlands	Energy reseller	35%

Jaytee F&B Limited was exempt from the requirements relating to the audit of individual financial statements by virtue of section 479A of the Companies Act 2006.

The aggregate of the share capital and reserves as at 30 June 2019 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit/(Loss) £
Bayford & Co (Developments) Limited	3,548,950	302,934
Jaytee (Northallerton) Limited	759,871	13,874
Jaytee F&B Limited	(629,251)	(864,727)
Thrust Petroleum Limited	100	-
Countrywide Derv Limited	100	-
Truckhaven Limited	1	-
Jaytee (UK) Limited	216,522	-
Countrywide Fuelcards Limited	(683)	-
Jaytee Fambo Limited	(14,893)	-

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16. Investment property**Group**

	Freehold investment property £
Valuation	
At 1 July 2018	27,446,315
Additions at cost	24,273
Disposals	(1,210,836)
Deficit on revaluation	(1,867,097)
Transfers between classes	(596,128)
At 30 June 2019	23,796,527

The 2019 valuations were made by a number of independent and qualified surveyors, on an open market value for existing use basis.

If the Investment properties had been accounted for under the historic cost accounting rules, the properties would have been measured as follows:

	2019 £	2018 £
Historic cost	<u>23,634,131</u>	<u>26,582,000</u>

Company

	Freehold investment property £
Valuation	
At 1 July 2018	17,206,315
Additions at cost	24,273
Disposals	(1,210,836)
Deficit on revaluation	(2,017,097)
Transfers between classes	(596,128)
At 30 June 2019	13,406,527

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16. Investment property (continued)

The 2019 valuations were made by a number of independent and qualified surveyors, on an open market value for existing use basis.

If the Investment properties had been accounted for under the historic cost accounting rules, the properties would have been measured as follows:

	2019 £	2018 £
Historic cost	13,577,131	16,525,000

17. Stocks

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Raw materials and consumables	157,945	24,640	-	-
Goods for resale	187,489	614,690	131,728	562,731
	<u>345,434</u>	<u>639,330</u>	<u>131,728</u>	<u>562,731</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

The amount of stocks recognised as an expense in the period was £484,074 (2018: £207,425).

18. Debtors

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Trade debtors	213,856	97,392	85,192	58,789
Amounts owed by group undertakings	-	-	2,839,107	2,928,844
Amounts owed by joint ventures and associated undertakings	21,927	572,893	21,927	572,893
Other debtors	1,230,807	2,320,732	1,230,705	1,951,035
Prepayments and accrued income	87,976	151,393	24,955	18,254
Deferred taxation	77,044	-	-	-
	<u>1,631,610</u>	<u>3,142,410</u>	<u>4,201,886</u>	<u>5,529,815</u>

BAYFORD & CO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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19. Cash and cash equivalents

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Cash at bank and in hand	14,594,944	674,381	14,318,310	230,654

20. Creditors: Amounts falling due within one year

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Loan notes	-	604,800	-	604,800
Bank loans	3,277,121	534,500	-	170,650
Trade creditors	639,315	824,950	490,365	420,904
Amounts owed to group undertakings	-	-	363,529	363,529
Amounts owed to other participating interests	1,254,055	114,423	1,254,055	98,714
Other taxation and social security	503,868	284,527	484,598	270,063
Other creditors	423,657	622,905	11,204	2,729
Accruals and deferred income	169,261	150,320	159,639	143,312
	<u>6,267,277</u>	<u>3,136,425</u>	<u>2,763,390</u>	<u>2,074,701</u>

The bank loan is repayable in monthly instalments and is secured against the assets of the group. Interest is charged on this loan at 2.4% - 2.6% above the lending bank's base rate.

The loan notes are repayable in quarterly instalments, are unsecured and bear interest at 2% - 5% above the Bank of England base rate.

BAYFORD & CO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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21. Creditors: Amounts falling due after more than one year

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Bank loans	-	5,850,501	-	2,687,737
Loan notes	-	4,005,913	-	4,005,913
Other creditors	-	14,969,363	-	14,969,363
	<u>-</u>	<u>24,825,777</u>	<u>-</u>	<u>21,663,013</u>

The bank loan is repayable in monthly instalments and is secured against the assets of the group. Interest is charged on this loan at 2.4% - 2.6% above the lending bank's base rate.

The loan notes are repayable in quarterly instalments, are unsecured and bear interest at 2% - 5% above the Bank of England base rate.

Other creditors comprise other loan balances, are unsecured and bear interest ranging from 2% - 4.75%.

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22. Loans

This note provides information about the contractual terms of the Group's and parent Company's interest bearing loans and borrowings, which are measured at amortised cost.

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Amounts falling due within one year				
Bank loans	3,277,121	534,500	-	170,650
Loan notes	-	604,800	-	604,800
	<u>3,277,121</u>	<u>1,139,300</u>	<u>-</u>	<u>775,450</u>
Amounts falling due 1-2 years				
Bank loans	-	5,850,501	-	2,687,737
Loan notes	-	4,005,913	-	4,005,913
	<u>-</u>	<u>9,856,414</u>	<u>-</u>	<u>6,693,650</u>
	<u>3,277,121</u>	<u>10,995,714</u>	<u>-</u>	<u>7,469,100</u>

The bank loan is repayable in monthly instalments and is secured against the assets of the group. Interest is charged on this loan at 2.4% - 2.6% above the lending bank's base rate.

The loan notes are repayable in quarterly instalments, are unsecured and bear interest at 2% - 5% above the Bank of England base rate.

BAYFORD & CO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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23. Financial instruments

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Financial assets				
Financial assets measured at fair value through profit or loss	14,594,944	674,381	14,318,310	230,654
Financial assets measured at amortised cost	1,466,590	2,991,018	4,176,931	5,511,561
	<u>16,061,534</u>	<u>3,665,399</u>	<u>18,495,241</u>	<u>5,742,215</u>
Financial liabilities				
Financial liabilities measured at amortised cost	(5,594,148)	(27,677,675)	(2,119,153)	(23,467,650)

Financial assets measured at fair value through profit or loss comprise cash and cash equivalents.

Financial assets measured at amortised cost comprise trade and other debtors.

Financial liabilities measured at amortised cost comprise short and long term creditors excluding accruals, taxation and social security payable.

24. Deferred taxation**Group**

	2019 £	2018 £
At beginning of year	(574,572)	(795,320)
Charged to profit or loss	431,168	221,283
Charged to other comprehensive income	220,448	-
Utilised in year	-	(535)
At end of year	<u>77,044</u>	<u>(574,572)</u>

BAYFORD & CO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

24. Deferred taxation (continued)**Company**

	2019 £	2018 £
At beginning of year	(417,353)	(649,775)
Charged to profit or loss	207,788	232,422
Charged to other comprehensive income	209,565	-
At end of year	-	(417,353)

The deferred taxation balance is made up as follows:

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Accelerated capital allowances	(548,174)	(374,000)	(616,717)	(372,353)
Capital gains	-	(717,000)	-	(555,000)
Unused tax losses	616,888	509,856	616,888	510,000
Other	8,330	6,572	(171)	-
	77,044	(574,572)	-	(417,353)

25. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
1,000 (2018 - 1,000) A Ordinary shares of £1.00 each	1,000	1,000
10 (2018 - 10) Ordinary shares of £0.10 each	1	1
10 (2018 - 10) B Ordinary shares of £0.10 each	1	1
	1,002	1,002

BAYFORD & CO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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25. Share capital (continued)**Share Rights****Voting**

Ordinary and B Ordinary shares carry the same voting rights. A Ordinary shares carry no voting rights.

Dividends

All classes of share rank pari passu in respect of the right to dividends.

Return of capital

Ordinary and B Ordinary shares rank pari passu in respect of any repayment of capital. A Ordinary shares are entitled to repayment of only £1 per share, with the balance of assets being distributed between Ordinary and B Ordinary shareholders.

26. Reserves**Share premium account**

The reserve represents considerations received for issued share capital in excess of the nominal value, less transaction costs.

Profit & loss account

The profit & loss represents cumulative profit and losses, less dividends paid.

27. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £110,576 (2018 - £98,000). There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

BAYFORD & CO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

28. Commitments under operating leases

At 30 June 2019 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Not later than 1 year	26,960	33,424	22,797	28,883
Later than 1 year and not later than 5 years	3,068	23,439	3,068	19,276
	<u>30,028</u>	<u>56,863</u>	<u>25,865</u>	<u>48,159</u>

The amount of operating leases recognised as an expense in the year was £25,064 (2018: £27,016).

29. Other financial commitments

The company has provided two guarantees on behalf of an entity in which it has control, joint control or significant influence over energy supply contracts dated 30 July 2019 and 23 November 2017 respectively. The guarantees cover the obligations, representations, warranties, duties and liabilities arising from these underlying contracts.

30. Related party transactions

The company has taken advantage of the exemption conferred by FRS 102 not to disclose transactions with its wholly owned subsidiaries.

During the year the Company made recharges to entities in which it has control, joint control or significant influence amounting to £1,271,758 (2018: £945,549). Purchases of £nil (2018: £9,218) were made from these entities. At the balance sheet date the Company had £4,952,593 (2018: £506,000) due from these entities and owed £nil (2018: £14,000) to these entities.

During the year the Company made recharges to other related parties amounting to £862,131 (2018: £592,208). Purchases of £28,211 (2018: £24,835) were made from these related parties. At the balance sheet date the Company had £6,294,593 (2018: £518,329) outstanding from other related parties and owed £1,254,055 (2018: £1,654,000) to these entities.

At the year end the company was owed £8,800 from key management personnel (2018: £12,962,000)

31. Post balance sheet events

In November 2019 Bayford purchased an additional 14% of the ordinary share capital in Gas and Power Limited, taking the Group's total shareholding to 24%.

On 10 March 2020 the company acquired 100% of the ordinary share capital of E (Gas and Electricity) Limited.

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32. Controlling party

Bayford & Co Limited is controlled by JCD Turner by virtue of his shareholding.