

Registered number: 01393723

BLAKEMORE PROPERTY LTD

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2020



BLAKEMORE PROPERTY LTD

COMPANY INFORMATION

Directors

P F Blakemore
D B Clifton
A Haigh
G Hallam
S Munro-Morris
M C Titley

Company secretary

C P Blakemore

Registered number

01393723

Registered office

c/o A. F. Blakemore and Son Limited
Long Acre Industrial Estate
Willenhall
West Midlands
WV13 2JP

Independent auditor

Grant Thornton UK LLP
Statutory Auditor & Chartered Accountants
The Colmore Building
20 Colmore Circus
Birmingham
West Midlands
B4 6AT

BLAKEMORE PROPERTY LTD

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BLAKEMORE PROPERTY LTD

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 APRIL 2020**

The directors present their report and the financial statements for the year ended 30 April 2020.

Results and dividends

The profit for the year, after taxation, amounted to £5,465,914 (2019: £4,276,947).

The directors do not recommend the payment of a dividend (2019: £Nil).

Directors

The directors who served during the year were:

P F Blakemore
D B Clifton
A Haigh
G Hallam
S Munro-Morris
M C Titley

Directors' Responsibilities Statement

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

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

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

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Qualifying third party indemnity provisions

The company has provided third party indemnity provisions in respect of the directors who held office during the period and through to the date of the report.

BLAKEMORE PROPERTY LTD

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2020**

Disclosure of information to auditor

The directors confirm that:

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

Auditor

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

Other matter

In preparing this report, the directors have taken advantage of the small companies exemption provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

Scott Munro-Morris

S Munro-Morris
Director

Date: 30/11/2020



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BLAKEMORE PROPERTY LTD

Opinion

We have audited the financial statements of Blakemore Property Ltd (the 'company') for the year ended 30 April 2020, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity 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 Financial Reporting Standard 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 company's affairs as at 30 April 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

We draw attention to notes 3 and 10 to the financial statements, which describe the basis for valuing freehold and long-leasehold property and set out that the valuations are subject to 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Red Book Global.

Consequently, less certainty and a higher degree of caution should be attached to these valuations than would normally be the case. Our opinion is not modified in respect of this matter.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BLAKEMORE PROPERTY LTD
(CONTINUED)**

The impact of macro-economic uncertainties on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Covid-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company associated with these particular events.

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 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.

In our evaluation of the directors' conclusions, we considered the risks associated with the company's business model, including effects arising from macro-economic uncertainties such as Covid-19 and Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

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



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BLAKEMORE PROPERTY LTD
(CONTINUED)**

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

Matter on which we are required to report under the Companies Act 2006

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

Matters on which we are required to report by exception

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



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BLAKEMORE PROPERTY LTD (CONTINUED)

Responsibilities of directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement set out on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Grant Thornton UK LLP

Rebecca Eagle
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Birmingham
Date: 30/11/2020

BLAKEMORE PROPERTY LTD

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 APRIL 2020**

	Note	2020 £	2019 £
Turnover	4	2,762,880	3,336,732
Gross profit		2,762,880	3,336,732
Administrative expenses		(58,343)	(14,075)
Revaluation of investment properties	10	4,237,549	-
(Loss)/profit on disposal of investment properties		(251,635)	1,261,944
Operating profit		6,690,451	4,584,601
Interest receivable and similar income	7	542,303	373,255
Interest payable and expenses	8	(318,369)	(459,594)
Profit before tax		6,914,385	4,498,262
Tax on profit	9	(1,448,471)	(221,315)
Profit for the financial year and total comprehensive income		5,465,914	4,276,947

The notes on pages 10 to 23 form part of these financial statements.

There was no other comprehensive income for 2020 (2019: £Nil).

BLAKEMORE PROPERTY LTD
REGISTERED NUMBER:01393723

STATEMENT OF FINANCIAL POSITION
AS AT 30 APRIL 2020

	Note	2020 £	2019 £
Fixed assets			
Investment properties	10	44,735,082	39,645,643
Current assets			
Debtors: amounts falling due after more than one year	11	20,152,832	21,237,298
Debtors: amounts falling due within one year	11	214,764	6,500
Creditors: amounts falling due within one year	12	(338,572)	(2,480,497)
Net current assets		<u>20,029,024</u>	<u>18,763,301</u>
Total assets less current liabilities		<u>64,764,106</u>	<u>58,408,944</u>
Creditors: amounts falling due after more than one year	13	(11,084,625)	(11,084,625)
		<u>53,679,481</u>	<u>47,324,319</u>
Provisions for liabilities			
Deferred taxation	16	(1,605,096)	(715,848)
Net assets		<u><u>52,074,385</u></u>	<u><u>46,608,471</u></u>
Capital and reserves			
Called up share capital	17	14,000,100	14,000,100
Revaluation reserve	18	9,137,595	9,137,595
Profit and loss account	18	28,936,690	23,470,776
		<u><u>52,074,385</u></u>	<u><u>46,608,471</u></u>

The company's financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regimes.

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

S Munro-Morris
 Director

Scott Munro-Morris

Date:

30/11/2020

The notes on pages 10 to 23 form part of these financial statements.

BLAKEMORE PROPERTY LTD

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 APRIL 2020**

	Called up share capital	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 May 2019	14,000,100	9,137,595	23,470,776	46,608,471
Comprehensive income for the year				
Profit for the year	-	-	5,465,914	5,465,914
At 30 April 2020	14,000,100	9,137,595	28,936,690	52,074,385

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

	Called up share capital	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 May 2018	14,000,100	12,719,698	15,611,726	42,331,524
Comprehensive income for the year				
Profit for the year	-	-	4,276,947	4,276,947
Transfer on sale of investment properties	-	(3,582,103)	3,582,103	-
At 30 April 2019	14,000,100	9,137,595	23,470,776	46,608,471

The notes on pages 10 to 23 form part of these financial statements.

BLAKEMORE PROPERTY LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2020

1. General information

Blakemore Property Ltd ("the company") is a private company limited by shares incorporated in England and Wales. Its registered head office is located at c/o A. F. Blakemore and Son Limited, Long Acre Industrial Estate, Rosehill, Willenhall, West Midlands, WV13 2JP.

The company's principal activity is the purchase, rental and development of commercial properties for use within the group of which it is a part.

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 company's functional and presentational currency is Sterling (£).

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

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d).

This information is included in the consolidated financial statements of Harriet Holdings Limited as at 25 April 2020 and these financial statements may be obtained from Harriet Holdings Limited's registered office.

2.3 Going concern

The Board has full expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

The parent company, A. F. Blakemore and Son Limited, has agreed to provide support as may be necessary for a period at least 12 months from the date of approval of these financial statements to assist the company in meeting its liabilities as they fall due.

Accordingly, the financial statements for the year ended 30 April 2020 have been prepared on the going concern basis.

BLAKEMORE PROPERTY LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2020**

2. Accounting policies (continued)

2.4 Turnover

Turnover arises from the leasing of properties owned by the company. It is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Revenue arising from operating leases on properties owned by the company is accounted for on a straight line basis over the term of the lease agreements in place.

2.5 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.6 Finance costs

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

2.7 Investment property

Investment property is carried at fair value.

Fair value is determined annually by internal professional 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.

Changes in fair value are recognised in the Statement of Comprehensive Income.

Long leasehold properties are depreciated over the term of the lease.

2.8 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.

2.9 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.

BLAKEMORE PROPERTY LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2020**

2. Accounting policies (continued)

2.10 Current and deferred taxation

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

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

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax is determined using tax rates and laws that have been enacted or substantially enacted by the reporting date.

2.11 Operating leases

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term.

The company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard to continue to be charged over the period to the first market rent review rather than the term of the lease.

BLAKEMORE PROPERTY LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2020**

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of financial statements requires the directors to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The following estimate has a material impact on the financial statements:

Valuation of investment properties

The valuation of investment properties is determined annually by internal professional valuers and derived from the current market rents and yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset.

The yield percentage applied is the key unobservable input and the range applied is between 5% and 12% depending on, for example, the nature of the property in question and its location.

As part of the debt refinancing activities undertaken during the year, certain of the company's investment properties were valued by an external professional valuer at 31 December 2019 and due regard has been given to this exercise by the internal professional valuers in deriving their valuations at the reporting date. The external professional valuer's report included a 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Red Book Global linked to the global Covid-19 pandemic.

The directors consider that because of the difficulty in deriving market-based yield rates as a result of a lack of comparable evidence during the Covid-19 pandemic, this 'material valuation uncertainty' also exists at the reporting date. Consequently less certainty and a higher degree of caution should be attached to all valuations at the reporting date than would normally be the case. However, the directors are not aware of any market evidence that would suggest a diminution in the valuations.

4. Turnover

	2020 £	2019 £
Rental of investment property	<u>2,762,880</u>	<u>3,336,732</u>

All turnover arose within the United Kingdom and is attributable to the principal activity of the business.

5. Auditor's remuneration

	2020 £	2019 £
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	<u>6,500</u>	<u>6,500</u>

BLAKEMORE PROPERTY LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2020**

6. Employees

Employee costs in the year (being those of the directors) are borne by the parent company. The directors of Blakemore Property Ltd are employees of the parent company, A. F. Blakemore and Son Limited and it is not practical to determine the proportion of such emoluments which are attributable to the directors' services to the company.

7. Interest receivable

	2020 £	2019 £
Interest receivable from the parent company	<u>542,303</u>	<u>373,255</u>

8. Interest payable and similar expenses

	2020 £	2019 £
Bank interest payable	<u>318,369</u>	<u>459,594</u>

9. Taxation

	2020 £	2019 £
Corporation tax		
Current tax on profits for the year	559,223	619,290
Adjustments in respect of previous periods	-	(52,250)
Total current tax	<u>559,223</u>	<u>567,040</u>
Deferred tax		
Origination and reversal of timing differences	889,248	(345,725)
Total deferred tax	<u>889,248</u>	<u>(345,725)</u>
Taxation on profit on ordinary activities	<u>1,448,471</u>	<u>221,315</u>

BLAKEMORE PROPERTY LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2020**

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

The tax assessed for the year is higher than (2019 - lower than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Profit on ordinary activities before tax	6,914,385	4,498,262
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	1,313,733	854,670
Effects of:		
Income not deductible for tax purposes	(805,134)	-
Fixed asset differences	50,516	(235,862)
Expenses not deductible for tax purposes	109	481
Adjustments to tax charge in respect of prior periods	-	(52,250)
Chargeable gains	805,030	(386,398)
Effect of tax rate change	84,217	40,674
Total tax charge for the year	1,448,471	221,315

Factors that may affect future tax charges

The Finance Act 2020 maintained the main rate of corporation tax rate at 19% from 1 April 2020, overriding the Finance Act 2017 which had reduced the main rate to 17% from that date. Deferred tax balances at the year end have been recognised at a corporation tax rate of 19% (2019: 17%).

BLAKEMORE PROPERTY LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2020**

10. Investment properties

	Freehold and long leasehold property £
Valuation	
At 1 May 2019	39,780,163
Additions	4,231,324
Disposals	(3,365,196)
Revaluations	4,237,549
	<hr/>
At 30 April 2020	44,883,840
	<hr/>
Depreciation	
At 1 May 2019	134,520
Charge for the year	14,238
	<hr/>
At 30 April 2020	148,758
	<hr/>
Net book value	
At 30 April 2020	44,735,082
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At 30 April 2019	39,645,643
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BLAKEMORE PROPERTY LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2020**

10. Investment properties (continued)

Included in disposals are properties of £3,365,196 (2019: £3,473,116) which were disposed under a sale and leaseback transaction recognising a profit on disposal of £Nil (2019: £1,230,111).

Investment properties with a carrying value of £44,735,082 (2019: £39,645,643) are pledged as security for the company's bank loans.

The valuation of investment properties is determined annually by internal professional valuers and derived from the current market rents and yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset.

The yield percentage applied is the key unobservable input and the range applied is between 5% and 12% depending on, for example, the nature of the property in question and its location.

As part of the debt refinancing activities undertaken during the year, certain of the company's investment properties were valued by an external professional valuer at 31 December 2019 and due regard has been given to this exercise by the internal professional valuers in deriving their valuations at the reporting date. The external professional valuer's report included a 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Red Book Global linked to the global Covid-19 pandemic.

The directors consider that because of the difficulty in deriving market-based yield rates as a result of a lack of comparable evidence during the Covid-19 pandemic, this 'material valuation uncertainty' also exists at the reporting date. Consequently less certainty and a higher degree of caution should be attached to all valuations at the reporting date than would normally be the case. However, the directors are not aware of any market evidence that would suggest a diminution in the valuations.

BLAKEMORE PROPERTY LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2020**

11. Debtors

	2020 £	2019 £
Due after more than one year		
Amounts owed by group undertakings	20,152,832	21,237,298
	<u>20,152,832</u>	<u>21,237,298</u>
Due within one year		
Trade debtors	214,764	-
Other debtors	-	6,500
	<u>214,764</u>	<u>6,500</u>

Amounts owed by group undertakings are unsecured, attract interest at between 0% and 2.25% and have no fixed repayment date.

12. Creditors: Amounts falling due within one year

	2020 £	2019 £
Bank loans	-	1,846,253
Corporation tax	284,739	619,290
Accruals and deferred income	53,833	14,954
	<u>338,572</u>	<u>2,480,497</u>

For further information on bank loans see note 14.

13. Creditors: Amounts falling due after more than one year

	2020 £	2019 £
Bank loans	11,084,625	11,084,625
	<u>11,084,625</u>	<u>11,084,625</u>

For further information on bank loans see note 14.

BLAKEMORE PROPERTY LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2020**

14. Loans

Analysis of the maturity of loans is given below:

	2020 £	2019 £
Amounts falling due within one year		
Bank loans	-	1,846,253
Amounts falling due 1-2 years		
Bank loans	11,084,625	11,084,625
	<u>11,084,625</u>	<u>12,930,878</u>

The bank loan facility which totalled £11,084,625 at the year end (2019: £12,930,878) is repayable on 30 November 2021. The facility bears interest at a rate of 3.00% per annum above LIBOR and is secured on mortgaged properties and an unlimited debenture over other assets of the group.

BLAKEMORE PROPERTY LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2020**

15. Financial instruments

	2020 £	2019 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	<u>20,367,596</u>	<u>21,237,298</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>11,138,458</u>	<u>12,945,832</u>

Financial assets measured at amortised cost comprise trade debtors and amounts owed by group undertakings.

Financial liabilities measured at amortised cost comprise bank loans and accruals.

The main purpose of these financial instruments is to fund the company's operations. It is, and has been throughout the period under review, the company's policy that no trading in financial instruments shall be undertaken. The main risks arising from the company's financial instruments are interest rate risk and liquidity risk. The board reviews and agrees policies for managing each of these risks and they are summarised below.

Interest rate risk

The company's exposure to market risk for changes in interest rates relates primarily to the company's bank loans. The company's policy is to manage its interest cost using a mix of fixed and variable rate debt. The company's exposure to interest rate fluctuations on its borrowings is managed by the use of commercial rates related to LIBOR.

Liquidity risk

The company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans and intercompany balances.

BLAKEMORE PROPERTY LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2020**

16. Deferred taxation

	2020 £
At beginning of year	(715,848)
Charged to profit or loss	(889,248)
At end of year	(1,605,096)

The provision for deferred taxation is made up as follows:

	2020 £	2019 £
Deferred tax on properties	<u>(1,605,096)</u>	<u>(715,848)</u>

17. Share capital

	2020 £	2019 £
Authorised, allotted, called up and fully paid		
112,000,800 (2019: 112,000,800) Ordinary shares of £0.125 each	<u>14,000,100</u>	<u>14,000,100</u>

There is a single class of ordinary shares. There are no restrictions on dividends and the repayment of capital.

18. Reserves**Share capital**

Represents the nominal value of shares that have been issued.

Revaluation reserve

The cumulative gains and losses in respect of the revaluation of investment properties prior to the company's transition to FRS 102 on 1 May 2016.

Profit and loss account

Includes all current and prior period retained profit and losses.

BLAKEMORE PROPERTY LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2020**

19. Contingent liabilities

The bank overdraft facilities of the A. F. Blakemore and Son Limited group are secured by an unlimited debenture over the assets of the group, which includes the assets of Blakemore Property Ltd. At 30 April 2020, the balance of bank overdrafts within the group was £Nil (2019: £Nil).

Amounts owed to certain suppliers of the immediate parent company, A. F. Blakemore and Son Limited, amounting to £5,902,000 (2019: £3,020,000) are secured by a charge over certain of the assets of the company. No loss is expected to arise from this arrangement.

20. Capital commitments

At 30 April 2020, the company had capital commitments of £1,481,000 (2019: £1,500,000).

21. Operating leases

At 30 April 2020 the company had future minimum lease receivables under non-cancellable operating leases as follows:

	2020 £000	2019 £000
Not later than 1 year	2,501	2,655
Later than 1 year and not later than 5 years	9,725	10,283
Later than 5 years	18,434	28,146
	<u>30,660</u>	<u>41,084</u>

22. Operating leases payable

At 30 April 2020 the company had future minimum lease payable under non-cancellable operating leases as follows:

	2020 £000	2019 £000
Not later than 1 year	2	2
Later than 1 year and not later than 5 years	9	9
Later than 5 years	91	94
	<u>102</u>	<u>105</u>

BLAKEMORE PROPERTY LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2020**

23. Related party transactions

Transactions with other group companies

The company has taken advantage of the exemption in FRS 102 33.1A and does not disclose transactions with other companies that are wholly owned directly or indirectly by Harriet Holdings Limited.

Transactions with key management personnel

No transactions with key management personnel have taken place in the year as all are remunerated through A. F. Blakemore and Son Limited, the parent company.

24. Ultimate parent undertaking and controlling party

The immediate parent undertaking of the company at the year end was A. F. Blakemore and Son Limited, a company incorporated in England and Wales.

The ultimate parent undertaking of the company at the year end was Harriet Holdings Limited, a company incorporated in England and Wales, by virtue of its 100% ownership of A. F. Blakemore and Son Limited, the company's immediate parent undertaking.

The directors consider P F Blakemore to be the ultimate controlling party by virtue of his shareholdings in Harriet Holdings Limited.

The smallest group of undertakings for which group financial statements for the year ended 30 April 2020 have been drawn up is that headed by A. F. Blakemore and Son Limited. Copies of the financial statements can be obtained from A. F. Blakemore and Son Limited's registered office.

The largest group of undertakings for which group financial statements for the year ended 30 April 2020 have been drawn up is that headed by Harriet Holdings Limited. Copies of the financial statements can be obtained from Harriet Holdings Limited's registered office.