

Registered number: SC061262

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A & I ANDERSON (HOLDINGS) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2018



A & I ANDERSON (HOLDINGS) LIMITED



COMPANY INFORMATION

Directors	A Anderson I Anderson
Company secretary	A Anderson
Registered number	SC061262
Registered office	Highclere Business Park Inverurie Aberdeenshire AB51 5QW
Independent auditors	Anderson Anderson & Brown Audit LLP Kingshill View Prime Four Business Park Kingswells Aberdeen AB15 8PU

A & I ANDERSON (HOLDINGS) LIMITED



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**STRATEGIC REPORT
FOR THE YEAR ENDED 31 OCTOBER 2018**

Introduction

The directors present their strategic report for the year ended 31 October 2018.

Business review

The results for the year are shown in the profit and loss account on page 7. The trading performance in the current year is in line with expectations.

The balance sheet shown on page 8 shows a strong net asset position of £5.1m.

Principal risks and uncertainties

The management of the business and the performance of the company and group are subject to a number of risks.

The company has number of properties rented to different clients and therefore does not rely heavily on any single customer. This together with invoicing quarterly in advance mitigates against the risk of bad debts.

Financial key performance indicators

Management consider rental yield to be the main financial key performance indicator.

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



A Anderson
Director

Date: 24 April 2019

A & I ANDERSON (HOLDINGS) LIMITED



**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 OCTOBER 2018**

The directors present their report and the financial statements for the year ended 31 October 2018.

Results and dividends

The profit for the year, after taxation, amounted to £257,834 (2017 - £248,744).

Dividends of £nil were paid during the year (2017 - £560,003).

Directors

The directors who served during the year were:

A Anderson
I Anderson

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'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's auditors are aware of that information.

Auditors

The auditors, Anderson Anderson & Brown Audit LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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

A Anderson
Director

Date: 24 April 2019

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 OCTOBER 2018**

The directors are responsible for preparing the Strategic report, 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 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 of the profit or loss of the Company for that period.

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

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
A & I ANDERSON (HOLDINGS) LIMITED**

Opinion

We have audited the financial statements of A & I Anderson (Holdings) Limited (the 'Company') for the year ended 31 October 2018, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity and the related notes, 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 31 October 2018 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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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.

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.

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 Auditors' 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.

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
A & I ANDERSON (HOLDINGS) LIMITED (CONTINUED)**

We have nothing to report in this regard.

Opinion 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 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 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.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement on page 3, 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.

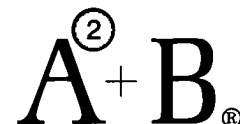
In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company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

Auditors' responsibilities for the audit of the financial statements

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

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

A & I ANDERSON (HOLDINGS) LIMITED



**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
A & I ANDERSON (HOLDINGS) LIMITED (CONTINUED)**

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 Auditors' 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.

Anderson Anderson & Brown Audit LLP

Christopher Masson (Senior statutory auditor)

for and on behalf of

Anderson Anderson & Brown Audit LLP

Statutory Auditor

Kingshill View
Prime Four Business Park
Kingswells
Aberdeen
AB15 8PU

Date:

24/4/19

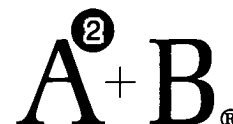
**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 OCTOBER 2018**

	Note	2018 £	2017 £
Turnover	4	698,998	525,407
Gross profit		<u>698,998</u>	<u>525,407</u>
Administrative expenses		(329,582)	(194,403)
Operating profit	5	<u>369,416</u>	<u>331,004</u>
Interest receivable and similar income	7	98	-
Interest payable and expenses	8	(31,967)	(47,964)
Profit before tax		<u>337,547</u>	<u>283,040</u>
Tax on profit	9	(79,713)	(34,296)
Profit for the financial year		<u><u>257,834</u></u>	<u><u>248,744</u></u>

There was no other comprehensive income for 2018 (2017:£NIL).

A & I ANDERSON (HOLDINGS) LIMITED

REGISTERED NUMBER: SC061262

**BALANCE SHEET
AS AT 31 OCTOBER 2018**

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	11	7,879,272	8,763,105
Investments	12	50,000	50,000
Investment property	13	3,244,889	3,244,889
		<u>11,174,161</u>	<u>12,057,994</u>
Current assets			
Debtors: amounts falling due within one year	14	1,034,145	641,308
Cash at bank and in hand	15	9,496	-
		<u>1,043,641</u>	<u>641,308</u>
Creditors: amounts falling due within one year	16	(6,538,473)	(7,008,995)
Net current liabilities		<u>(5,494,832)</u>	<u>(6,367,687)</u>
Total assets less current liabilities		<u>5,679,329</u>	<u>5,690,307</u>
Creditors: amounts falling due after more than one year	17	(27,160)	(266,042)
Provisions for liabilities			
Deferred tax	19	(560,041)	(589,971)
		<u>(560,041)</u>	<u>(589,971)</u>
Net assets		<u><u>5,092,128</u></u>	<u><u>4,834,294</u></u>
Capital and reserves			
Called up share capital	20	70,000	70,000
Revaluation reserve		3,136,019	3,192,840
Capital redemption reserve		30,000	30,000
Other reserves		1,402,145	1,401,116
Profit and loss account		453,964	140,338
		<u><u>5,092,128</u></u>	<u><u>4,834,294</u></u>

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


 A stylized, handwritten signature in black ink, appearing to read 'A Anderson'.

.....
A Anderson
Director

Date: 24 April 2019

The notes on pages 10 to 22 form part of these financial statements.

A & I ANDERSON (HOLDINGS) LIMITED



**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 OCTOBER 2018**

	Called up share capital	Capital redemption reserve	Revaluation reserve	Investment property revaluation reserve	Profit and loss account	Total equity
	£	£	£	£	£	£
At 1 November 2017	70,000	30,000	3,192,840	1,401,116	140,338	4,834,294
Comprehensive income for the year						
Profit for the year	-	-	-	-	257,834	257,834
Transfer to/from profit and loss account	-	-	7,749	1,029	(8,778)	-
Release of revaluation reserve	-	-	(64,570)	-	64,570	-
At 31 October 2018	70,000	30,000	3,136,019	1,402,145	453,964	5,092,128

The notes on pages 10 to 22 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 OCTOBER 2017**

	Called up share capital	Capital redemption reserve	Revaluation reserve	Investment property revaluation reserve	Profit and loss account	Total equity
	£	£	£	£	£	£
At 1 November 2016	70,000	30,000	3,228,557	1,398,362	418,634	5,145,553
Comprehensive income for the year						
Profit for the year	-	-	-	-	248,744	248,744
Total comprehensive income for the year	-	-	-	-	248,744	248,744
Dividends: Equity capital	-	-	-	-	(560,003)	(560,003)
Transfer to/from profit and loss account	-	-	28,853	2,754	(31,607)	-
Release of revaluation reserve	-	-	(64,570)	-	64,570	-
Total transactions with owners	-	-	(35,717)	2,754	(527,040)	(560,003)
At 31 October 2017	70,000	30,000	3,192,840	1,401,116	140,338	4,834,294

The notes on pages 10 to 22 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2018**

1. General information

A & I Anderson (Holdings) Limited is a Limited Liability company incorporated in the United Kingdom. The registered office is Highclere Business Park, Inverurie, Aberdeenshire, AB51 5QW.

The principal activity of A & I Anderson (Holdings) Limited is property rental.

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 management to exercise judgment 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);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of A & I Anderson (Group) Limited as at 31 October 2018 and these financial statements may be obtained from Companies House.

2.3 Exemption from preparing consolidated financial statements

The Company is a parent Company that is also a subsidiary included in the consolidated financial statements of its immediate parent undertaking established under the law of an EEA state and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

2.4 Going concern

The directors, having made due and careful enquiry, are of the opinion that the company and the group it is part of has adequate working capital and appropriate long term funding to execute its operations over the next 12 months. The directors, therefore, have made an informed judgement, at the time of approving the financial statements, that there is a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. As a result, the directors have continued to adopt the going concern basis of accounting in preparing the annual financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2018**

2. Accounting policies (continued)

2.5 Revenue

Rental income from commercial and residential property leases is recognised as it is earned. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

2.6 Operating leases: the Company as lessor

Rentals income from operating leases is credited to the Statement of comprehensive income on a straight line basis over the term of the relevant lease.

Amounts paid and payable as an incentive to sign an operating lease are recognised as a reduction to income over the lease term on a straight line basis, unless another systematic basis is representative of the time pattern over which the lessor's benefit from the leased asset is diminished.

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 01 November 2016 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.7 Interest income

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

2.8 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.

2.9 Borrowing costs

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2018**

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 balance sheet 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 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; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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.

2.11 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.

Individual freehold properties are carried at deemed cost less accumulated depreciation under the transitional arrangements of FRS102. Deemed cost is based on fair value, as determined by an independent valuation.

Depreciation is provided on the following basis:

Freehold property	-	2% straight line
Motor vehicles	-	20% straight line
Fixtures & fittings	-	25% straight line
Tenant's improvements	-	25% straight line
Land	-	not depreciated

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 Statement of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2018

2. Accounting policies (continued)

2.12 Investment property

Investment property is carried at fair value determined annually by the directors on an open market basis. The valuation is derived from the current market rents and investment property yields for comparable properties, 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 Profit and loss account.

2.13 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.14 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.

2.15 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.

2.16 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.

2.17 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company 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 Statement of comprehensive income in the year that the Company 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.

2.18 Financial instruments

The Company only enters into basic financial instruments 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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2018**

2. Accounting policies (continued)

2.18 Financial instruments (continued)

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 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.

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 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 Company 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.

2.19 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

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

The preparation of financial statements, requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the Balance Sheet date and the amounts reported during the year for revenue and costs. However, the nature of estimation means that actual outcomes could differ from those estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The following judgements and estimates have had the most significant impact on amounts recognised in the financial statements:

Investment Property

Investment property is carried at fair value which is assessed annually by the directors. The directors make this assessment with due consideration given to the current property market and comparable yields of similar properties. The estimate at the year end is disclosed in Note 13.

A & I ANDERSON (HOLDINGS) LIMITED



**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2018**

4. Turnover

The whole of the turnover is attributable to rental income from commercial and residential property.

All turnover arose within the United Kingdom.

5. Operating profit

The operating profit is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets	125,553	115,346
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	6,250	6,250
Loss on sale of fixed assets	108,280	-

6. Employees

The average monthly number of employees, including directors, during the year was 2 (2017 - 2). There are no employee costs in this company as the costs are borne by a subsidiary company.

7. Interest receivable

	2018 £	2017 £
Other interest receivable	98	-

8. Interest payable and similar expenses

	2018 £	2017 £
Bank interest payable	31,967	47,964

A & I ANDERSON (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2018**

9. Taxation

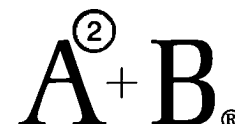
	2018 £	2017 £
Corporation tax		
Current tax on profits for the year	109,647	53,100
Adjustments in respect of previous periods	(4)	(27,747)
	<u>109,643</u>	<u>25,353</u>
Total current tax	<u>109,643</u>	<u>25,353</u>
Deferred tax		
Origination and reversal of timing differences	(29,930)	(11,348)
Adjustments in respect of prior periods	-	20,291
Total deferred tax	<u>(29,930)</u>	<u>8,943</u>
Taxation on profit on ordinary activities	<u>79,713</u>	<u>34,296</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2017 - lower than) the standard rate of corporation tax in the UK of 19% (2017 - 19.4%). The differences are explained below:

	2018 £	2017 £
Profit on ordinary activities before tax	<u>337,547</u>	<u>283,040</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19.4%)	64,134	54,938
Effects of:		
Expenses not deductible for tax purposes	1,300	254
Fixed asset differences	20,573	21,212
Adjustments to tax charge in respect of prior periods	(4)	(27,747)
Deferred tax reduction arising from indexation on potential chargeable gains	(9,811)	(36,094)
Changes in rates for deferred tax	3,521	1,442
Dividends from UK companies	-	20,291
Total tax charge for the year	<u>79,713</u>	<u>34,296</u>

A & I ANDERSON (HOLDINGS) LIMITED



**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2018**

9. Taxation (continued)

Factors that may affect future tax charges

On 15 September 2016, the Finance Bill was updated to further reduce the main rate of UK corporation tax to 19% with effect from 1 April 2017 and to 17% with effect from 1 April 2020.

10. Dividends

	2018 £	2017 £
Dividends paid on equity capital	-	560,003

11. Tangible fixed assets

	Freehold property £
Cost or valuation	
At 1 November 2017	9,081,724
Disposals	(758,280)
At 31 October 2018	8,323,444
Depreciation	
At 1 November 2017	318,619
Charge for the year on owned assets	125,553
At 31 October 2018	444,172
Net book value	
At 31 October 2018	7,879,272
At 31 October 2017	8,763,105

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12. Fixed asset investments

	Investments in subsidiary companies £
Cost and Net book value	
At 1 November 2017	50,000
At 31 October 2018	<u>50,000</u>

Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

Name	Registered office	Class of shares	Holding
Anderson House Furnishers (Inverurie) Limited	Highclere Business Park	Ordinary	100%

13. Investment property

	Freehold investment property £
Valuation	
At 1 November 2017	3,244,889
At 31 October 2018	<u>3,244,889</u>

The directors have reviewed the valuation of investment properties and consider that the value above is an appropriate fair value. No depreciation is provided in respect of these properties.

On a historical cost basis these would have been included at an original cost of £1,611,301 (2017 - £1,611,301) and aggregate depreciation of £nil (2017 - £nil).

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14. Debtors

	2018 £	2017 £
Trade debtors	28,922	21,822
Amounts owed by related party	669,874	-
Other debtors	185,349	619,486
Prepayments and accrued income	150,000	-
	<u>1,034,145</u>	<u>641,308</u>

Included within other debtors due within one year is a loan from a director of £93,016 (2017 - £121,655). The maximum balance receivable throughout the year was £213,017 (2017 - £512,253).

There are no repayment terms, and no interest is receivable on this loan.

15. Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	9,496	-
Less: bank overdrafts	-	(1,004,865)
	<u>9,496</u>	<u>(1,004,865)</u>

16. Creditors: Amounts falling due within one year

	2018 £	2017 £
Bank overdrafts	-	1,004,865
Bank loans (Note 18)	232,370	204,529
Trade creditors	9,990	492,362
Amounts owed to group undertakings	5,959,060	5,114,060
Amounts owed to related party	4,942	-
Corporation tax	109,647	25,357
Other taxation and social security	24,947	-
Other creditors	143,544	126,279
Accruals and deferred income	53,973	41,543
	<u>6,538,473</u>	<u>7,008,995</u>

Included within other creditors due within one year is a loan to a director, amounting to £143,544 (2017 - £126,279). The maximum balance payable throughout the year was £143,544 (2017 - £3,724).

There are no repayment terms, and no interest is payable on this loan.

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

	2018 £	2017 £
Bank loans (Note 18)	27,160	266,042
	<u>27,160</u>	<u>266,042</u>

The group's bank loans and overdrafts are secured by a floating charge over the group's assets and a standard security over freehold property.

A cross company guarantee is in place between the company and its subsidiary, Andersons House Furnishers (Inverurie) Limited. Aggregate group liabilities secured under the guarantee at the balance sheet date total £259,530 (2017 - £1,555,492).

18. Loans

Analysis of the maturity of loans is given below:

	2018 £	2017 £
Amounts falling due within one year		
Bank loans	232,370	204,529
	<u>232,370</u>	<u>204,529</u>
Amounts falling due 1-2 years		
Bank loans	27,160	246,733
	<u>27,160</u>	<u>246,733</u>
Amounts falling due 2-5 years		
Bank loans	-	19,309
	<u>-</u>	<u>19,309</u>
	<u>259,530</u>	<u>470,571</u>

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19. Deferred taxation

	2018 £	2017 £
At beginning of year	(589,971)	(581,028)
Charged to profit or loss	29,930	(8,943)
At end of year	(560,041)	(589,971)

The provision for deferred taxation is made up as follows:

	2018 £	2017 £
Accelerated capital allowances	(27,787)	(48,939)
Potential capital gains arising on property revaluations	(532,254)	(541,032)
	(560,041)	(589,971)

20. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
70,000 (2017 - 70,000) Ordinary shares shares of £1.00 each	70,000	70,000

21. Related party transactions

The company has taken advantage of section 33.1A (Related party disclosures) which allows exemption from disclosure of related party transactions with other group companies.

In addition to the directors' loans detailed in notes 14 and 16 the group had the following transactions with related parties.

a) Turnover includes rentals received from a Pension Scheme, of which a Director is a Trustee, totalling £48,904 (2017 - £50,000). The total due by A&I Anderson (Holdings) Limited at the year end was £4,942 (2017 - £nil).

b) Land was sold to a company with common directors and shareholders for a total value of £650,000 during the year, plus relevant taxes of £19,950. The total due to A&I Anderson (Holdings) Limited at the year end was £669,874.

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22. Controlling party

The immediate and ultimate parent company is A & I Anderson (Group) Limited, a company registered in Scotland.

A Anderson is the ultimate controlling party, as the managing director and majority shareholder.