

Company Registration No. 00515014 (England and Wales)

TATE BROS. LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2019

THURSDAY



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COMPANIES HOUSE

TATE BROS. LIMITED

COMPANY INFORMATION

Directors	J D Tate T I Meadows M J Tate
Secretary	D S Patterson
Company number	00515014
Registered office	Tates Administration Offices Paradise Park Avis Road Newhaven East Sussex BN9 0DH
Auditor	RSM UK Audit LLP Chartered Accountants 3rd Floor Portland 25 High Street Crawley West Sussex RH10 1BG

TATE BROS. LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present the strategic report for the year ended 31 December 2019.

Review of the Business

Business environment

The commercial letting market remains stable with rental income increasing £35k to £2.1m.

Strategy, significant events and future developments

The company's overriding objective is to maintain the profitability of its property investment and garden centre investment activities. The company remains focused on maintaining the underlying performance of its investment activities.

Principal Risks and Uncertainties

The management of the business and the execution of the company's strategy are subject to a number of risks. We have set out below risk factors that we believe could affect the future results of the company. This is not a complete list and other factors should also be considered. If more than one event occurs, it is possible that the overall effect of such events would compound the possible adverse effects on the company.

Credit

Given that rental income is payable in advance and is generated from a diverse property portfolio, the company has minimal exposure to credit risk.

Liquidity

The directors are satisfied with net current assets of £4,021,231.

Cashflow

The company traded profitably during the year. The year end the cash remained strong at £8,005,920 (2018: £5,562,359).

Profit & Loss

Operating profit of £1.5m is comparable to 2018. The directors are satisfied with performance. Profit on ordinary activities has risen from £1.6m to £8.5m primarily due to dividends receivable of £7.0m.

Balance Sheet

The business remains in a healthy position with a strong asset backed Balance Sheet.

Covid-19

The ongoing worldwide pandemic of Covid-19 poses a significant threat to the short term performance of the company and management has performed a preliminary assessment on the financial impact on the business and on the basis of preparation of the accounts. There is a great deal of uncertainty as to the longevity of the Covid-19 crisis and, should the economic impacts be longer lasting and result in widespread corporate failure across the economy, then the risk to the business will increase proportionally.

The company has net current assets of £4.0m at 31 December 2019 (2018: net current liabilities of £3.6m) which arises principally from cash balances held following dividends received from group. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

TATE BROS. LIMITED

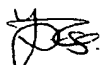
STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

Key Performance Indicators

<u>KPI</u>	<u>2019</u>	<u>2018</u>	<u>Method of calculation</u>
Rental income (£m)	2.1	2.1	Rental income.
Gross margin (%)	72.2	74.2	Gross margin is the ratio of gross profit to rental income expressed as a percentage.
Net profit (£m)	8.5	1.6	Net profit before taxation.

On behalf of the board



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J D Tate

Director

Date: 30.10.20

TATE BROS. LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their annual report and financial statements for the year ended 31 December 2019.

Principal activities

The principal activity of the company during the year was that of a holding and property management company.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

J D Tate
T I Meadows
M J Tate

Results and dividends

The results for the year are set out on page 7.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

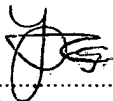
Auditor

RSM UK Audit LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



J D Tate

Director

Date: 30.10.20.

TATE BROS. LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

The directors are responsible for preparing the Strategic Report and 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). 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 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TATE BROS. LIMITED

Opinion

We have audited the financial statements of Tate Bros. Limited (the 'company') for the year ended 31 December 2019 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 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 company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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.

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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TATE BROS. LIMITED (CONTINUED)

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 and the directors' report.

We have nothing to report in respect of the following matters where 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 set out on page 4, 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: <http://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.



Jonathan Ericson BA FCA (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP, Statutory Auditor

Chartered Accountants

3rd Floor

Portland

25 High Street

Crawley

West Sussex, RH10 1BG

06 November 2020

TATE BROS. LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 £	2018 £
Turnover	3	2,095,625	2,060,454
Cost of sales		(583,215)	(531,281)
Gross profit		<u>1,512,410</u>	<u>1,529,173</u>
Administrative expenses		(61,219)	(75,285)
Other operating income		45,000	43,000
Operating profit	5	<u>1,496,191</u>	<u>1,496,888</u>
Interest receivable and similar income	7	7,062,996	80,814
Interest payable and similar expenses	8	(28,475)	(21,237)
Profit before taxation		<u>8,530,712</u>	<u>1,556,465</u>
Tax on profit	9	(352,721)	(368,602)
Profit for the financial year		<u><u>8,177,991</u></u>	<u><u>1,187,863</u></u>

TATE BROS. LIMITED**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019**

	Notes	2019 £	£	2018 £	£
Fixed assets					
Tangible assets	10	32,192,074		31,630,893	
Investments	11	296,959		296,959	
		<u>32,489,033</u>		<u>31,927,852</u>	
Current assets					
Debtors	13	199,800		1,243,436	
Cash at bank and in hand		8,005,920		5,562,359	
		<u>8,205,720</u>		<u>6,805,795</u>	
Creditors: amounts falling due within one year	14	<u>(4,184,489)</u>		<u>(10,435,331)</u>	
Net current assets/(liabilities)		<u>4,021,231</u>		<u>(3,629,536)</u>	
Total assets less current liabilities		<u>36,510,264</u>		<u>28,298,316</u>	
Provisions for liabilities	15	<u>(610,213)</u>		<u>(576,256)</u>	
Net assets		<u><u>35,900,051</u></u>		<u><u>27,722,060</u></u>	
Capital and reserves					
Called up share capital	17	23,200		23,200	
Revaluation reserve	18	3,714,355		3,722,584	
Capital redemption reserve	18	2,450		2,450	
Profit and loss reserves	18	32,160,046		23,973,826	
Total equity		<u><u>35,900,051</u></u>		<u><u>27,722,060</u></u>	

The financial statements were approved by the board of directors and authorised for issue on 30.10.20 and are signed on its behalf by:



J D Tate
Director

TATE BROS. LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019

	Share capital	Revaluation reserve	Capital redemption reserve	Profit and loss reserves	Total
	£	£	£	£	£
Balance at 1 January 2018	23,200	3,722,584	2,450	22,785,963	26,534,197
Year ended 31 December 2018:					
Profit and total comprehensive income for the year	-	-	-	1,187,863	1,187,863
Balance at 31 December 2018	23,200	3,722,584	2,450	23,973,826	27,722,060
Year ended 31 December 2019:					
Profit and total comprehensive income for the year	-	-	-	8,177,991	8,177,991
Transfers	-	(8,229)	-	8,229	-
Balance at 31 December 2019	23,200	3,714,355	2,450	32,160,046	35,900,051

TATE BROS. LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

Company information

Tate Bros. Limited is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is Tate Administration Offices, Paradise Park, Avis Road, Newhaven, East Sussex, BN9 0DH.

The company's principal activities and nature of its operations are disclosed in the Directors' Report.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include investment properties at fair value. The principal accounting policies adopted are set out below.

Reduced disclosures

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Tate Bros. Limited is a wholly owned subsidiary of Tate of Sussex Limited. The results of Tate Bros. Limited are included in the consolidated financial statements of Tate of Sussex Limited which are available from its registered office, Paradise Park, Avis Road, Newhaven, United Kingdom, BN9 0DH. As a result of this, the company is no longer required to prepare consolidated financial statements. These financial statements are presented on a company only basis.

TATE BROS. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies (Continued)

Going concern

The ongoing worldwide pandemic of Covid-19 poses a significant threat to the short term performance of the company and management has performed a preliminary assessment on the financial impact on the business and on the basis of preparation of the accounts. There is a great deal of uncertainty as to the longevity of the Covid-19 crisis and, should the economic impacts be longer lasting and result in widespread corporate failure across the economy, then the risk to the business will increase proportionally.

The company has net current assets of £4.0m at 31 December 2019 (2018: net current liabilities of £3.6m) which arises principally from cash balances held following dividends received from group. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Turnover

Turnover shown in the profit and loss account represents rental income receivable during the period, exclusive of Value Added Tax. Turnover arises from income received under operating lease agreements through the letting of investment and other properties and is recognised in accordance with the terms of each lease.

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Freehold property	2% straight line
Investment property	Not depreciated
Plant and machinery	10% - 20% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less.

TATE BROS. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies (Continued)

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, are initially recognised at transaction price.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's contractual obligations are discharged, cancelled, or they expire.

TATE BROS. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies (Continued)

Equity instruments

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

TATE BROS. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

2 Judgements and key sources of estimation uncertainty (Continued)

Valuation of investment property

A key accounting estimate in preparing these financial statements relates to the carrying value of the investment properties which are stated at fair value. The company uses lease terms, market conditions and sales prices based upon known market transactions for similar properties as a basis for determining the directors' estimation of the fair value of the investment properties. However, the valuation of the company's investment properties is inherently subjective, as it is made on the basis of valuation assumptions which may in future not prove to be accurate.

In addition, the deferred tax liabilities recognised in respect of the fair value gains and losses on these investment properties are assessed on the basis of assumptions regarding the future, the likelihood that assets will be realised and liabilities will be settled, and estimates as to the timing of those future events and as to the future tax rates that will be applicable.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2019 £	2018 £
Turnover analysed by class of business		
Rental income	2,095,625	2,060,454
	<u> </u>	<u> </u>
	2019 £	2018 £
Other revenue		
Interest income	62,996	80,814
Dividends received	7,000,000	-
Management charges receivable	45,000	43,000
	<u> </u>	<u> </u>

Turnover is entirely derived from within the United Kingdom.

4 Employees

Other than directors there were no employees in the current or prior year. Directors remuneration, is borne by the subsidiary company, Tates of Pyecombe Limited.

5 Operating profit

	2019 £	2018 £
Operating profit for the year is stated after charging:		
Depreciation of owned tangible fixed assets	364,788	305,770
	<u> </u>	<u> </u>

TATE BROS. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

6 Auditor's remuneration

	2019 £	2018 £
Fees payable to the company's auditor and its associates:		
For audit services		
Audit of the financial statements of the company	10,500	10,000
For other services		
Taxation compliance services	3,200	3,000
All other non-audit services	2,000	1,950
	5,200	4,950

7 Interest receivable and similar income

	2019 £	2018 £
Interest income		
Interest on bank deposits	36,905	50,355
Interest receivable from group companies	25,990	30,159
Other interest income	101	300
Total interest revenue	62,996	80,814
Income from fixed asset investments		
Income from shares in group undertakings	7,000,000	-
Total income	7,062,996	80,814

8 Interest payable and similar expenses

	2019 £	2018 £
Interest payable to group undertakings	17,748	17,277
Other interest	10,727	3,960
	28,475	21,237

9 Taxation

	2019 £	2018 £
Current tax		
UK corporation tax on profits for the current period	345,467	360,713
Adjustments in respect of prior periods	(26,703)	7,889
Total current tax	318,764	368,602

TATE BROS. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

9 Taxation (Continued)

Deferred tax

Origination and reversal of timing differences	14,144	-
Adjustment in respect of prior periods	19,813	-
Total deferred tax	33,957	-
Total tax charge	352,721	368,602

The UK main corporation tax rate was expected to reduce to 17% from 1 April 2020, as announced in the Finance Bill 2016, which was substantively enacted on 12 September 2016.

Following the year end, in the Budget of 11 March 2020, the Chancellor announced the reversal of the previously enacted reduction in the rate of corporation tax. This reversal was subsequently confirmed by a resolution under the Provisional Collection of Taxes Act 1968, which set the rate at 19%. Deferred tax has been recognised at the 31 December 2019 enacted rate.

The total tax charge for the year included in the income statement can be reconciled to the profit before tax multiplied by the standard rate of tax as follows:

	2019 £	2018 £
Profit before taxation	8,530,712	1,556,465
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	1,620,835	295,728
Tax effect of expenses that are not deductible in determining taxable profit	2,179	7,165
Adjustments in respect of prior years	(26,703)	7,889
Group relief	(2,345)	-
Deferred tax adjustments in respect of prior years	19,813	-
Fixed asset differences	70,605	57,820
Change in deferred tax rate	(1,663)	-
Group income	(1,330,000)	-
Taxation charge for the year	352,721	368,602

TATE BROS. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

10 Tangible fixed assets

	Freehold property £	Investment property £	Plant and machinery £	Total £
Cost / valuation				
At 1 January 2019	26,980,290	8,034,857	512,145	35,527,292
Additions	925,969	-	-	925,969
At 31 December 2019	27,906,259	8,034,857	512,145	36,453,261
Depreciation and impairment				
At 1 January 2019	3,447,037	-	449,362	3,896,399
Depreciation charged in the year	348,333	-	16,455	364,788
At 31 December 2019	3,795,370	-	465,817	4,261,187
Carrying amount				
At 31 December 2019	24,110,889	8,034,857	46,328	32,192,074
At 31 December 2018	23,533,253	8,034,857	62,783	31,630,893

If revalued assets were stated on an historical cost basis rather than a fair value basis, the total amounts included would have been as follows:

	2019 £	2018 £
Cost	3,744,246	3,744,246
Carrying value	3,744,246	3,744,246

The investment properties were last revalued in December 2017 by the directors on the basis of the market value estimate at the year end. The valuation was based on recent market transactions on arm's length terms for similar properties which the directors consider has not materially changed as at 31 December 2019 and is therefore remains a reasonable estimate of the fair value of the investment properties at the year end date.

TATE BROS. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

11 Fixed asset investments

	Notes	2019 £	2018 £
Investments in subsidiaries	12	295,150	295,150
Listed investments		1,809	1,809
		<u>296,959</u>	<u>296,959</u>

Listed investments included above:

Listed investments carrying amount	1,809	1,809
Market value if different from carrying amount	1,613	2,803
Potential tax liability if sold at market value	-	189
	<u></u>	<u></u>

Fixed asset investments not carried at market value

All investments noted above are held at historic cost, less provision for impairment.

Movements in fixed asset investments

	Investments in subsidiaries £	Listed and unlisted investments £	Total £
Cost			
At 1 January 2019 & 31 December 2019	295,150	1,809	296,959
Carrying amount			
At 31 December 2019	295,150	1,809	296,959
At 31 December 2018	295,150	1,809	296,959

TATE BROS. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

12 Subsidiaries

Details of the company's subsidiaries at 31 December 2019 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Portslade Garages Limited	Tates 94-106 Old Shoreham Road, Portslade, East Sussex, BN41 1TA	Garage proprietors	Ordinary	100.00	
Tates of Pyecombe Limited	Tates Administration Offices, Avis Road, Newhaven, East Sussex, BN9 0DH	Operating garden centres	Ordinary	100.00	
Tates of Brighton Limited	As above	Dormant	Ordinary	100.00	
Hangleton Motors Limited	As above	Dormant	Ordinary	100.00	
Tates (Sussex) Limited	As above	Dormant	Ordinary		100.00
Tates of Portslade Limited	As above	Dormant	Ordinary		100.00

The investments in subsidiaries are all stated at cost.

Tates of Brighton Limited, Tates (Sussex) Limited, Tates of Portslade Limited, and Hangleton Motors Limited are exempt from the requirement relating to the audit of accounts by virtue of s480 of the Companies Act 2006.

13 Debtors

	2019	2018
	£	£
Amounts falling due within one year:		
Trade debtors	88,309	77,564
Amounts owed by group undertakings	-	1,107,995
Other debtors	61,388	11,982
Prepayments and accrued income	50,103	45,895
	<u>199,800</u>	<u>1,243,436</u>

TATE BROS. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

14 Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	12,241	175,798
Amounts owed to group undertakings	1,270,251	7,962,505
Corporation tax	147,519	315,755
Other creditors	2,735,078	1,962,073
Accruals and deferred income	19,400	19,200
	<u>4,184,489</u>	<u>10,435,331</u>

15 Provisions for liabilities

	Notes	2019 £	2018 £
Deferred tax liabilities	16	<u>610,213</u>	<u>576,256</u>

16 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2019 £	Liabilities 2018 £
Balances:		
Accelerated capital allowances	33,956	-
Investment property	<u>576,257</u>	<u>576,256</u>
	<u>610,213</u>	<u>576,256</u>
Movements in the year:		2019 £
Liability at 1 January 2019		576,256
Charge to profit or loss		<u>33,957</u>
Liability at 31 December 2019		<u>610,213</u>

The deferred tax asset set out above relates to decelerated capital allowances that are expected to mature within the same period. The deferred tax liability relates to investment properties held at fair value, and is expected to mature after more than 12 months.

TATE BROS. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

17 Share capital

	2019 £	2018 £
Ordinary share capital		
Issued and fully paid		
23,200 Ordinary shares of £1 each	23,200	23,200
	<u>23,200</u>	<u>23,200</u>

The company's ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the company.

18 Reserves

Revaluation reserve

Surplus of investment property valuation over historical cost, less deferred tax on property values.

Capital redemption reserve

The capital redemption reserve represents the nominal value of shares repurchased and still held at the end of the reporting period.

Profit and loss reserves

Retained earnings represent cumulative profit and loss net of distributions to owners.

19 Operating lease commitments

Lessor

The company owns a number of properties for rental purposes. Rental income earned during the year was £2,095,625 (2018: £2,060,454) and direct operating expenses arising on the properties in the period was £644,434 (2018: £606,559). All operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period.

At the reporting end date the company had contracted with tenants for the following minimum lease payments:

	2019 £	2018 £
Within one year	435,517	442,821
Between one and five years	1,291,643	1,381,649
In over five years	1,611,813	1,895,833
	<u>3,338,973</u>	<u>3,720,303</u>

20 Financial commitments, guarantees and contingent liabilities

The company, under a group VAT registration, is jointly and severally liable for VAT due by Tates of Pyecombe Limited, Tates of Sussex Limited, Tates Property Limited and Portslade Garages Limited. At 31 December 2019 this was £663,199 (2018: £514,108).

TATE BROS. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

21 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2019 £	2018 £
Acquisition of tangible fixed assets	1,602,350	179,000

22 Events after the reporting date

Subsequent to the year end, the worldwide pandemic of Covid-19 has had an adverse impact on economies globally. Whilst the directors are unable to predict the full extent of the impact, the directors have considered the impact of Covid-19 in considering their going concern assessment as detailed in these financial statements.

23 Related party transactions

Transactions with related parties

During the year the company entered into the following transactions with related parties:

	Interest paid 2019 £	2018 £
Entities under common control	10,727	3,960

The following amounts were outstanding at the reporting end date:

Amounts due to related parties	2019 £	2018 £
Entities under common control	2,586,298	1,820,385

24 Ultimate controlling party

The company is a 100% subsidiary undertaking of Tates of Sussex Limited, which is the immediate and ultimate parent undertaking and controlling party. It is also the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of Tates of Sussex Limited consolidated financial statements for the year ended 31 December 2019 are publically available and can be obtained from Companies House.

The ultimate controlling party is J D Tate by virtue of his majority shareholding in Tates of Sussex Limited.