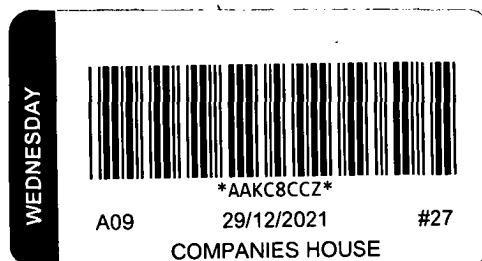


COMPANY REGISTRATION NUMBER: 470283

BASTION PRODUCTS LIMITED
FINANCIAL STATEMENTS
31 MARCH 2021



COHEN ARNOLD
Chartered Accountants & statutory auditor
New Burlington House
1075 Finchley Road
London
NW11 0PU

BASTION PRODUCTS LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

CONTENTS	PAGE
Directors' report	1
Independent auditor's report to the members	3
Profit and loss account and other comprehensive income	8
Balance sheet	9
Statement of changes in equity	10
Notes to the financial statements	11

BASTION PRODUCTS LIMITED

DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2021

The directors present their report and the financial statements of the company for the year ended 31 March 2021.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company is property investment in commercial and residential properties in the UK. From time to time the Company undertakes the redevelopment of its existing properties. The Company's business model is generally to hold its properties for the long term in order to generate rental income and capital appreciation. However, each of the Company's investment properties is considered to be potentially for sale in the right circumstances. There has been no significant change in the nature of the company's business activities during the year under review, nor is any envisaged in the immediate future.

DIRECTORS

The directors who served the company during the year were as follows:

Mr B S E Freshwater

Mr D Davis

The Articles of Association of the company do not require the directors to retire by rotation. Neither director has a service contract with the company.

The majority of the day-to-day management of the company's properties and its operations is carried out by Freshwater Property Management Limited and Highdorn Co. Limited. Mr BSE Freshwater is a director of, but has no beneficial interest in the share capital of, either of these companies.

Mr BSE Freshwater and Mr D Davis are also Trustees of the parent undertaking of Freshwater Property Management Limited, but have no interest in that company.

RESULTS AND DIVIDENDS

The results for the year are set out in the attached profit and loss account and explanatory notes. The financial position of the company at the year end is set out in the attached balance sheet and explanatory notes.

The company did not pay a dividend in the year (2020: £nil). The directors do not propose a final dividend for the year (2020: £nil).

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). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period.

BASTION PRODUCTS LIMITED

DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 MARCH 2021

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

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

DONATIONS

During the year the company made no charitable donation nor political contribution.

AUDITOR

Each of the persons who is a director at the date of approval of this report confirms that:

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

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

This report was approved by the board of directors on ...**2.2.DEC.2021**.... and signed on behalf of the board by:



J S Southgate
Company Secretary

Registered office:
Freshwater House
158-162 Shaftesbury Avenue
London
WC2H 8HR

BASTION PRODUCTS LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BASTION
PRODUCTS LIMITED
YEAR ENDED 31 MARCH 2021

OPINION

We have audited the financial statements of Bastion Products Limited (the 'company') for the year ended 31 March 2021 which comprise the profit and loss account and other comprehensive income, balance sheet, 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 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 March 2021 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

However, due to the current macro-economic impact of the Covid-19 pandemic and the higher level of uncertainty observed in the economy, including the uncertainty surrounding Brexit and the associated potential financial costs, we cannot predict all future events or conditions. 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.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

BASTION PRODUCTS LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BASTION
PRODUCTS LIMITED *(continued)*
YEAR ENDED 31 MARCH 2021

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 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.

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 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report.

BASTION PRODUCTS LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BASTION
PRODUCTS LIMITED *(continued)*
YEAR ENDED 31 MARCH 2021

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the directors' responsibilities statement, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company, and determined that the most relevant to the presentation of the financial statements are those that relate to the reporting legislation (UK GAAP and the Companies Act 2006), the relevant tax regulations in the United Kingdom, the Landlord and Tenant Act, the UK General Data Protection Regulation (GDPR), Health & Safety Regulations and the Bribery Act. We understood how the company is complying with those frameworks through discussion with the directors and senior management, and by identifying the company's policies and procedures regarding compliance with laws and regulations. We also identified those members of management who have the primary responsibility for ensuring compliance with laws and regulations, and for reporting any known instances of non-compliance to the directors. We communicated these identified frameworks amongst our audit team and remained alert to any indications of non-compliance throughout the audit. We ensured that the engagement team had sufficient competence and capability to identify or recognise non-compliance with laws and regulations.
- We discussed with the directors and senior management the policies and procedures regarding compliance with these legal and regulatory frameworks.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur, by reviewing the company's identified risks and enquiry with the directors and senior management during the planning and finalisation phases of our audit. The susceptibility to such material misstatement was determined to be low.

BASTION PRODUCTS LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BASTION
PRODUCTS LIMITED *(continued)*
YEAR ENDED 31 MARCH 2021

- Based on this understanding we designed our audit procedures to identify non-compliance with the identified legal and regulatory frameworks, which were part of our procedures on the related financial statement items. Our procedures included reviewing the company's internal controls policies and procedures, reviewing the minutes of board meetings and correspondence with regulatory bodies including HMRC, testing transactions outside the normal course of the business and journal entries, and discussions with the directors and senior management.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

BASTION PRODUCTS LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BASTION
PRODUCTS LIMITED *(continued)*
YEAR ENDED 31 MARCH 2021

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.



Joshua Neumann (Senior Statutory Auditor)

For and on behalf of
Cohen Arnold
Chartered Accountants & statutory auditor

New Burlington House
1075 Finchley Road
London
NW11 0PU

22 DEC 2021

BASTION PRODUCTS LIMITED
PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME
YEAR ENDED 31 MARCH 2021

	Note	2021 £	2020 £
TURNOVER	4	198,691	170,045
Cost of sales		<u>(126,884)</u>	<u>(115,861)</u>
GROSS PROFIT		71,807	54,184
Administrative expenses		(12,121)	(12,240)
Net valuation gains/(deficit) on investment property		82,950	(31,655)
Profit on disposal of investment property		<u>69,469</u>	<u>145,164</u>
OPERATING PROFIT	5	212,105	155,453
Interest receivable		–	114
Interest payable	7	<u>(67,030)</u>	<u>(62,075)</u>
PROFIT BEFORE TAXATION		145,075	93,492
Tax on profit	8	<u>(27,565)</u>	<u>6,818</u>
PROFIT FOR THE FINANCIAL YEAR AND TOTAL COMPREHENSIVE INCOME		<u>117,510</u>	<u>100,310</u>

All the activities of the company are from continuing operations.

The notes on pages 11 to 21 form part of these financial statements.

BASTION PRODUCTS LIMITED

BALANCE SHEET

31 MARCH 2021

	Note	2021 £	£	2020 £	£
FIXED ASSETS					
Investment properties	9		2,927,335		2,844,385
Investments	10		200		200
			<u>2,927,535</u>		<u>2,844,585</u>
CURRENT ASSETS					
Debtors	11	2,016,151		2,487,602	
Cash at bank and in hand		87,722		81,271	
		<u>2,103,873</u>		<u>2,568,873</u>	
CREDITORS: amounts falling due within one year	12	<u>(2,398,455)</u>		<u>(2,488,776)</u>	
NET CURRENT (LIABILITIES)/ASSETS			<u>(294,582)</u>		<u>80,097</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			2,632,953		2,924,682
PROVISIONS FOR LIABILITIES AND CHARGES	13		<u>(543,351)</u>		<u>(527,590)</u>
NET ASSETS			<u>2,089,602</u>		<u>2,397,092</u>
CAPITAL AND RESERVES					
Called up share capital	15		100		100
Profit and loss account	16		<u>2,089,502</u>		<u>2,396,992</u>
TOTAL EQUITY			<u>2,089,602</u>		<u>2,397,092</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved by the board of directors and authorised for issue on ~~22 DEC 2021~~, and are signed on behalf of the board by:



B S E Freshwater
Director

Company registration number: 470283

BASTION PRODUCTS LIMITED
STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31 MARCH 2021

	Called up share capital £	Profit and loss account £	Total £
AT 1 APRIL 2019	100	2,296,682	2,296,782
Profit for the year	—	100,310	100,310
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	—	100,310	100,310
AT 31 MARCH 2020	100	2,396,992	2,397,092
Profit for the year	—	117,510	117,510
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	—	117,510	117,510
Distribution - Gift aid	—	(425,000)	(425,000)
TOTAL INVESTMENTS BY AND DISTRIBUTIONS TO OWNERS	—	(425,000)	(425,000)
AT 31 MARCH 2021	<u>100</u>	<u>2,089,502</u>	<u>2,089,602</u>

The balance on the profit and loss account at 31 March 2021 includes £2,342,129 of unrealised profits which are not available for distribution.

The notes on pages 11 to 21 form part of these financial statements.

BASTION PRODUCTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

1. GENERAL INFORMATION

Bastion Products Limited (the "Company") is a company limited by shares and incorporated in the UK. The Company's Registered Office is Freshwater House, 158-162 Shaftesbury Avenue, London WC2H 8HR. The presentation currency of these financial statements is sterling.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in compliance with the provisions applicable to companies subject to the small companies' regime and voluntarily adopting the disclosure requirements of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. ACCOUNTING POLICIES

Basis of preparation

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

The financial statements have been prepared under the historical cost convention except that investment property is measured at fair value.

The outbreak of the Covid-19 pandemic in 2020 and the associated lockdown has had a negative impact on the macro economy and the particular market that the company, together with the other members of The Raphael Freshwater Memorial Association Limited group (referred to as "the group"), operate in. The directors have placed a particular focus on the group's going concern assessment and have considered the principal risks to the group. This assessment has considered the various probable outcomes of the pandemic on the group's operations and its future financial performance over the next 12 months, including a severe but plausible decline in revenues, an increase in impairment of rent arrears and a reduction in property values. Uncertainty surrounding Brexit and the associated potential financial costs may also have a negative impact. These risks are beyond the control of the group and represent uncertainty to the revenue and cash flow of the company for the foreseeable future.

Notwithstanding these uncertainties and the net current liabilities of the company, the directors have concluded that it is appropriate for the financial statements to be prepared in accordance with the accounting principles appropriate to a going concern and that there is no material uncertainty to this position, as the directors have a reasonable expectation that the company has adequate resources under all plausible circumstances to continue in operational existence for the foreseeable future by meeting its liabilities and commitments as they fall due, based on available sources of finance.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 20.

BASTION PRODUCTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 MARCH 2021

3. ACCOUNTING POLICIES *(continued)*

Disclosure exemptions

The Company's parent undertaking, The Raphael Freshwater Memorial Association Limited, includes the Company in its consolidated financial statements. The consolidated financial statements of The Raphael Freshwater Memorial Association Limited are prepared in accordance with the Charities SORP and are available to the public and may be obtained from Freshwater House, 158-162 Shaftesbury Avenue, London WC2H 8HR.

In these financial statements, the company is considered to be a qualifying entity (for the purposes of FRS 102) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to the end of the period;
- Cash Flow Statement and related notes;
- Key Management Personnel compensation; and
- Basic and Other Financial Instruments.

Turnover

Turnover comprises rents and service charges receivable. Rental income from investment property leased out under operating leases is recognised in the profit and loss account on a straight line basis over the period to the first break clause. Lease incentives granted to tenants are recognised on a straight line basis over the period to the first break clause. Service charge income is recognised as the services are provided.

Property outgoings

The costs of repairs are recognised in the profit and loss account in the year in which they are incurred.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is expected tax payable or receivable on the taxable income or loss for the year, using rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Provision is made for consideration payable to or receivable from other group undertakings for the surrender of losses under group relief provisions.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met.

BASTION PRODUCTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 MARCH 2021

3. ACCOUNTING POLICIES *(continued)*

Taxation *(continued)*

Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. For investment property that is measured at fair value, deferred tax is provided at the rate and allowances applicable to the sale of the property.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Investment properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are recognised initially at cost.

Subsequent to initial recognition

- Investment properties are held at fair value. Any gains or losses arising from changes in the fair value are recognised in the profit and loss account in the period that they arise; and
- No depreciation is provided in respect of investment properties applying the fair value model.

Investment property fair value is based on a valuation by an external, independent valuer, having an appropriate recognised professional qualification and recent experience in the location and class of property being valued.

Disposals of properties

The company generally holds its properties for the long term in order to generate rental income and capital appreciation although in the right circumstances any property could be available for sale. When an outright sale does occur the resulting surplus based on the excess of sales proceeds over valuation is included within the company's profit, and taxation applicable thereto is shown as part of the taxation charge. Disposals are recognised on the date the significant risks and rewards of ownership have been transferred and when it is probable that the economic benefits will flow to the company. In addition the company also 'sells' leasehold extensions when requested by leaseholders. The proceeds of these leasehold extension sales, less directly applicable costs, are also included in profit on disposal of investment properties.

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

BASTION PRODUCTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 MARCH 2021

3. ACCOUNTING POLICIES *(continued)*

Financial instruments

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 entity after deducting all its financial liabilities.

Basic financial instruments

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

Trade and other debtors

Trade and other debtors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate for a similar debt instrument.

Trade and other creditors

Trade and other creditors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate for a similar debt instrument.

Income and expenses

Interest receivable and interest payable:

Interest income and interest payable are recognised in the profit and loss account as they accrue, using the effective interest method.

Borrowing costs that are directly attributable to the acquisition, construction or redevelopment of an asset that takes a substantial time to be prepared for use are expensed as incurred.

Interest payable and similar charges include interest payable on intercompany loans and late payment charges.

Related party transactions

The company has taken advantage of the exemptions in FRS102 in order to dispense with the requirements to disclose transactions with other companies in the The Raphael Freshwater Memorial Association Limited group.

BASTION PRODUCTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 MARCH 2021

4. TURNOVER

Turnover arises from:

	2021	2020
	£	£
Rent receivable	110,132	114,291
Service charges receivable	88,559	55,754
	<u>198,691</u>	<u>170,045</u>

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

5. OPERATING PROFIT

Operating profit or loss is stated after charging/crediting:

	2021	2020
	£	£
Fees payable for the audit of the financial statements	12,000	11,880
Movement in provision for bad debts	12,165	(3,146)

Amounts receivable by the company's auditor in respect of services to the company, other than the audit of the company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the company's parent undertaking, The Raphael Freshwater Memorial Association Limited.

6. PARTICULARS OF EMPLOYEES

No salaries or wages have been paid to employees including the directors during the year (2020: £nil).

7. INTEREST PAYABLE

	2021	2020
	£	£
Interest on banks loans and overdrafts	1,030	1,075
Group interest payable	66,000	61,000
	<u>67,030</u>	<u>62,075</u>

8. TAX ON PROFIT

Major components of tax expense/(income)

	2021	2020
	£	£
Current tax:		
Consideration (receivable)/payable for group relief	11,804	(56,972)

BASTION PRODUCTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 MARCH 2021

8. TAX ON PROFIT *(continued)*

	2021	2020
	£	£
Deferred tax:		
Origination and reversal of timing differences	15,761	(6,015)
Impact of change in tax rate	<u>–</u>	<u>56,169</u>
Total deferred tax	15,761	50,154
Tax on profit	<u>27,565</u>	<u>(6,818)</u>

All tax is recognised in the profit and loss account.

Reconciliation of tax expense/(income)

The tax assessed on the profit on ordinary activities for the year is the same as (2020: lower than) the standard rate of corporation tax in the UK of 19% (2020: 19%).

	2021	2020
	£	£
Profit on ordinary activities before taxation	145,075	93,492
Profit on ordinary activities by rate of tax	27,565	17,763
Impact of change in tax rate	<u>–</u>	<u>56,169</u>
Timing differences arising on gift aid	<u>–</u>	<u>(80,750)</u>
Tax on profit	<u>27,565</u>	<u>(6,818)</u>

Factors that may affect future tax expense

An increase in the main UK corporation tax rate to 25% (effective from 1 April 2023) was announced in the March 2021 Budget but was not substantively enacted until after the year end, on 24 May 2021. This will increase the Company's future tax charge accordingly.

The deferred tax liability at 31 March 2021 has been calculated based on the rate of 19% (2020: 19%).

BASTION PRODUCTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 MARCH 2021

9. INVESTMENT PROPERTIES

	Freehold property £	Long leasehold property £	Total £
Fair value			
At 1 April 2020	441,875	2,402,510	2,844,385
Revaluations	25,700	57,250	82,950
At 31 March 2021	467,575	2,459,760	2,927,335
Carrying amount			
At 31 March 2021	467,575	2,459,760	2,927,335
At 31 March 2020	441,875	2,402,510	2,844,385

Investment properties held at valuation

An independent professional revaluation of the Company's properties was carried out at 31 March 2021 by Colliers International Property Advisers UK LLP, RICS Registered Valuers. The revaluation figures are based on open market value assessed in accordance with the RICS Valuation - Professional Standards (2014).

Valuation techniques and key inputs

The company's residential apartments and houses (£2.6m, 2020: £2.5m) were valued using a sales valuation approach, derived from recent comparable transactions in the market, adjusted by applying discounts to reflect status of occupation and condition. The largest discounts were applied to those properties subject to registered tenancies, reflecting the relative difference in security of tenure, whilst the smallest discounts were applied to those properties subject to assured shorthold tenancies. Sales value assumptions were in the range £504 to £698 (2020: £526 to £698) per square foot.

The company's commercial units (£0.3m, 2020: £0.3m) were valued using the income capitalisation method, requiring the application of an appropriate market based yield to net operating income. Adjustments are made to allow for voids when less than five years are left under the current tenancy and to reflect market rent at the point of lease expiry or rent review. Equivalent yields used were in the range 7.10% to 7.97%, with an average of 7.31% (2020: 7.08%) and estimated rental values used were in the range £49.52 to £49.90 per square foot, with an average of £49.61 (2020: £50.29) per square foot.

Historical cost model

The historical cost of investment properties at 31 March 2021 is £41,855 (2020: £41,855).

BASTION PRODUCTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 MARCH 2021

10. INVESTMENTS

	Shares in group undertakings £
Cost	
At 1 April 2020 and 31 March 2021	<u>4,802</u>
Impairment	
At 1 April 2020 and 31 March 2021	<u>4,602</u>
Carrying amount	
At 31 March 2021	<u>200</u>
At 31 March 2020	<u>200</u>

The shares in subsidiary undertakings are stated at cost.

The company wholly owns 100% of the ordinary equity share capital of the following companies all of which are registered either in the UK or the USA.

Registered in UK

Brigade Properties Limited - Property investment
Kayville Properties Limited - Property investment

Registered office: Freshwater House, 158 - 162 Shaftesbury Avenue, London WC2H 8HR.

Registered in USA

Delbast Corporation (Dormant)

Registered office: 1651 Coney Island Ave, Brooklyn, NY, 11230.

The financial statements of the UK subsidiaries are made up to 31 March each year and those of the USA subsidiary to 31 December each year.

The company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare group financial statements as it is a wholly owned subsidiary of The Raphael Freshwater Memorial Association Limited, a company incorporated in the United Kingdom and registered in England and Wales, which prepares group financial statements.

11. DEBTORS

	2021 £	2020 £
Trade debtors	36,505	26,449
Amounts owed by group undertakings	307,600	307,600
Other debtors	<u>1,672,046</u>	<u>2,153,553</u>
	<u>2,016,151</u>	<u>2,487,602</u>

BASTION PRODUCTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 MARCH 2021

11. DEBTORS *(continued)*

All debtors are repayable within one year or repayable on demand. Amounts owed by group undertakings are interest-free sterling loans repayable on demand.

Other debtors include £1,252,062 (2020 - £1,665,173) due from Freshwater Property Management Limited (note 18) and £160,038 (2020 - £160,038) due from each of the Estates of a former director and his wife.

All amounts are interest-free sterling loans repayable on demand.

12. CREDITORS: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	35,829	44,513
Amounts owed to group undertakings	1,621,856	1,674,828
Other creditors	740,770	769,435
	<u>2,398,455</u>	<u>2,488,776</u>

All creditors are repayable within one year or repayable on demand. Amounts owed to group undertakings are sterling loans repayable on demand and comprise £783,167 (2020: £779,167) including interest payable at 8% per annum with the remaining intra-group loans being interest-free.

Other creditors include £694,793 (2020: £730,256) due to Highdorn Co. Limited (note 18). The amount is an interest-free sterling loan repayable on demand.

13. PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred tax (note 14) £
At 1 April 2020	527,590
Charge for the year	15,761
At 31 March 2021	<u>543,351</u>

14. DEFERRED TAX

The deferred tax included in the balance sheet is as follows:

	2021	2020
	£	£
Included in provisions for liabilities and charges (note 13)	<u>543,351</u>	<u>527,590</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2021	2020
	£	£
Revaluation of investment properties	<u>543,351</u>	<u>527,590</u>

BASTION PRODUCTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 MARCH 2021

15. CALLED UP SHARE CAPITAL

Issued, called up and fully paid

	2021		2020	
	No.	£	No.	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

16. CAPITAL AND RESERVES

Called-up share capital represents the nominal value of shares that have been issued.

Profit and loss account includes all current and prior period retained profits and losses.

17. COMMITMENTS UNDER OPERATING LEASES

As lessor

The total future minimum lease payments receivable under non-cancellable operating leases are as follows:

	2021	2020
	£	£
Not later than 1 year	36,177	60,777
Later than 1 year and not later than 5 years	94,684	95,164
Later than 5 years	<u>676,801</u>	<u>704,823</u>
	<u>807,662</u>	<u>860,764</u>

18. RELATED PARTY TRANSACTIONS

The majority of the day-to-day management of the company's properties and its operations is carried out by Freshwater Property Management Limited ("FPM") and Highdorn Co. Limited ("Highdorn"). Mr BSE Freshwater is a director of, but has no beneficial interest in the share capital of, either company.

Mr BSE Freshwater and Mr D Davis are also Trustees of the parent undertaking of FPM, but have no beneficial interest in that company.

In their capacity as property managing agents, FPM and Highdorn collect rents and incur direct property expenses on behalf of the company.

During the year £17,140, including VAT, was payable to FPM for these services (2020: £3,500) which were charged for at normal commercial rates. The amount owing to FPM at 31 March 2021 for these services is £3,500 (2020: £7,000).

During the year there were no charges payable to Highdorn and no amounts were owing to Highdorn for these services at 31 March 2021 (2020: £nil).

19. PARENT COMPANY AND CONTROLLING PARTY

The company is controlled by its parent undertaking, The Raphael Freshwater Memorial Association Limited, a company incorporated in England for charitable purposes. The parent undertaking of the largest and smallest group of undertakings for which group financial statements are drawn up is The Raphael Freshwater Memorial Association Limited.

BASTION PRODUCTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 MARCH 2021

19. PARENT COMPANY AND CONTROLLING PARTY *(continued)*

Copies of financial statements of The Raphael Freshwater Memorial Association Limited can be obtained from the following address:

Freshwater House, 158-162 Shaftesbury Avenue, London WC2H 8HR.

The Raphael Freshwater Memorial Association Limited has no controlling party.

20. ACCOUNTING ESTIMATES AND JUDGEMENTS

i. Property valuations

The valuation of the company's property portfolio is inherently subjective, depending on many factors, including the individual nature of each property, its location and expected future net rental values, market yields and comparable market transactions (as set out in Note 9). Therefore the valuations are subject to a degree of uncertainty and are made on the basis of assumptions which may not prove to be accurate, particularly in periods of difficult market or economic conditions. As noted in Note 3 above, all the company's properties are valued by external valuers with appropriate qualifications and experience.

ii. Trade debtors

Management uses details of the age of trade debtors and the status of any disputes together with external evidence of the credit status of the counterparty in making judgements concerning any need to impair the carrying values.