

DENCORA SECURITIES LIMITED

UNAUDITED

**DIRECTORS' REPORT
AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
31 OCTOBER 2018**



 **Wellden
Turnbull**

Chartered Accountants and
Chartered Tax Advisers
Statutory Auditors

DENCORA SECURITIES LIMITED

COMPANY INFORMATION

Directors

D J Williams MRICS
M J Rickards FRICS

Company secretary

D J Williams

Registered number

01109003

Registered office

Suite 1, Silwood Business Centre
Silwood Park, Buckhurst Road
Ascot
Berkshire
SL5 7PW

Accountants

Wellden Turnbull Ltd
Chartered Accountants
Munro House
Portsmouth Road
Cobham
Surrey
KT11 1PP

DENCORA SECURITIES LIMITED

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DENCORA SECURITIES 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.

Principal activities

The principal activities of the company in the year under review continued to be that of investment in commercial properties for letting and development and dealing in commercial property.

Directors

The directors who served during the year were:


D J Williams MRICS
M J Rickards FRICS

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

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



M J Rickards FRICS
Director

Date: 

DENCORA SECURITIES LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 OCTOBER 2018

	2018 £	2017 £
Turnover	511,472	503,302
Cost of sales	(159,172)	(155,162)
Gross profit	352,300	348,140
Administrative expenses	(104,514)	(117,064)
Other operating income	5,382	39,299
Fair value movements	235,000	277,320
Operating profit	488,168	547,695
Interest receivable and similar income	20	700
Interest payable and expenses	-	(1,524)
Profit before tax	488,188	546,871
Tax on profit	(48,283)	(56,931)
Profit for the financial year	439,905	489,940

The notes on pages 5 to 10 form part of these financial statements.

DENCORA SECURITIES LIMITED
REGISTERED NUMBER: 01109003

BALANCE SHEET
AS AT 31 OCTOBER 2018

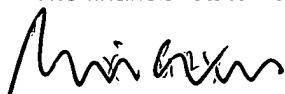
	Note	2018 £	2017 £
Fixed assets			
Investment property	4	3,855,000	3,620,000
Current assets			
Debtors: amounts falling due within one year	5	13,799,188	13,842,734
Cash at bank and in hand		218,189	239,291
		<u>14,017,377</u>	<u>14,082,025</u>
Creditors: amounts falling due within one year	6	(14,891,188)	(15,187,563)
Net current liabilities		<u>(873,811)</u>	<u>(1,105,538)</u>
Total assets less current liabilities		2,981,189	2,514,462
Creditors: amounts falling due after more than one year	7	(73,000)	(73,000)
Provisions for liabilities			
Deferred tax	8	(147,016)	(120,194)
		<u>(147,016)</u>	<u>(120,194)</u>
Net assets		<u>2,761,173</u>	<u>2,321,268</u>
Capital and reserves			
Called up share capital	9	5,000	5,000
Revaluation reserve	10	1,365,997	1,157,819
Profit and loss account	10	1,390,176	1,158,449
		<u>2,761,173</u>	<u>2,321,268</u>

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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



M J Rickards FRICS
Director

Date: 13th June 2019

The notes on pages 5 to 10 form part of these financial statements.

DENCORA SECURITIES LIMITED

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

	Called up share capital	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 November 2017	5,000	1,157,819	1,158,449	2,321,268
Profit for the year	-	-	439,905	439,905
Transfer net gain on investment properties to revaluation reserve	-	-	(208,178)	(208,178)
Transfer net gain on investment properties from profit & loss reserve	-	208,178	-	208,178
At 31 October 2018	<u>5,000</u>	<u>1,365,997</u>	<u>1,390,176</u>	<u>2,761,173</u>

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

	Called up share capital	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 November 2016	5,000	911,429	914,899	1,831,328
Profit for the year	-	-	489,940	489,940
Transfer net gain on investment properties to revaluation reserve	-	-	(246,390)	(246,390)
Transfer net gain on investment properties from profit & loss reserve	-	246,390	-	246,390
At 31 October 2017	<u>5,000</u>	<u>1,157,819</u>	<u>1,158,449</u>	<u>2,321,268</u>

DENCORA SECURITIES LIMITED

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

1. General information

Dencora Securities Limited is a private company, limited by shares, and incorporated in England and Wales, registered number 01109003. The registered office is: Suite 1, Silwood Business Centre, Silwood Park, Buckhurst Road, Ascot, Berkshire, SL5 7PW.

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 Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

These financial statements are presented in sterling, which is the functional currency of the company and rounded to the nearest £.

The following principal accounting policies have been applied:

2.2 Going concern

The financial statements have been prepared on a going concern basis because the company continues to meet its obligations as and when they arise and the amounts owed to Group companies will not be called upon to the detriment of the company continuing to be a going concern.

2.3 Revenue

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

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

Rental income and rent are recognised on an accrual basis.

Sales of investment properties are recognised on date of completion.

2.4 Investment property

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

2.5 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.

DENCORA SECURITIES LIMITED

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

2. Accounting policies (continued)

2.6 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.

2.7 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from related parties

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

2.8 Creditors

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

2.9 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.

2.10 Interest income

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

DENCORA SECURITIES LIMITED

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

2. Accounting policies (continued)

2.11 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. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

3. Employees

The average monthly number of employees, including directors, during the year was 2 (2017 - 2).

4. Investment property

	Freehold investment property £
Valuation	
At 1 November 2017	3,620,000
Surplus on revaluation	235,000
At 31 October 2018	3,855,000

The 2018 valuations were made by D J Williams MRICS, a director of the company, on an open market value for existing use basis.

DENCORA SECURITIES LIMITED

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

5. Debtors

	2018 £	2017 £
Trade debtors	8,543	11,775
Amounts owed by group undertakings	13,780,669	13,780,669
Other debtors	350	11,854
Prepayments and accrued income	9,626	38,436
	<u>13,799,188</u>	<u>13,842,734</u>

6. Creditors: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	3,485	4,886
Amounts owed to group undertakings	14,769,402	15,072,416
Corporation tax	21,461	26,001
Other taxation and social security	15,552	-
Other creditors	54,601	51,158
Accruals and deferred income	26,687	33,102
	<u>14,891,188</u>	<u>15,187,563</u>

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

	2018 £	2017 £
Share capital treated as debt	<u>73,000</u>	<u>73,000</u>

DENCORA SECURITIES LIMITED

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

8. Deferred taxation

	2018 £	2017 £
At beginning of year	120,194	89,264
Charged to profit or loss	26,822	30,930
At end of year	147,016	120,194

The provision for deferred taxation is made up as follows:

	2018 £	2017 £
Tax on potential gains on investment properties	147,016	120,194

9. Share capital

	2018 £	2017 £
Shares classified as equity		
Allotted, called up and fully paid		
5,000 (2017 - 5,000) A Ordinary shares of £1.00 each	5,000	5,000
	2018 £	2017 £
Shares classified as debt		
Allotted, called up and fully paid		
73,000 (2017 - 73,000) B Ordinary shares of £1.00 each	73,000	73,000

10. Reserves

Revaluation reserve

The revaluation reserve is the amount from the revaluation of investment properties to fair value, which is offset by the estimated deferred tax charge on the gain on sale of the property.

Profit and loss account

The profit and loss account represents cumulative profits and losses, net of dividends and all adjustments.

DENCORA SECURITIES LIMITED

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

11. Contingent liabilities

In May 2017 the company entered into a bank loan jointly with a fellow subsidiary. All the cash out flows are from the joint borrower and therefore the bank loan is included on the balance sheet of the fellow subsidiary. The value of the loan as at 31 October 2018 amounted to £8,463,015 (2017: £11,264,250). This will fall due and liable on Dencora Securities Limited if the fellow subsidiary is unable to meet the financial repayments.

The bank has a fixed and floating charge over the assets of the company.

12. Related party transactions

The company has taken advantage of the exemption in Section 33 of FRS 102 from disclosing transactions with other members of the group.