

**DENCORA SECURITIES LIMITED**

**UNAUDITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
31 OCTOBER 2021**

**DENCORA SECURITIES LIMITED**  
**REGISTERED NUMBER: 01109003**

**BALANCE SHEET**  
**AS AT 31 OCTOBER 2021**

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Investment property	4	4,000,000	3,700,000
<b>Current assets</b>			
Debtors: amounts falling due within one year	5	13,791,434	13,803,780
Cash at bank and in hand		487,545	265,675
		<u>14,278,979</u>	<u>14,069,455</u>
Creditors: amounts falling due within one year	6	(13,656,322)	(14,157,831)
<b>Net current assets/(liabilities)</b>		<u>622,657</u>	<u>(88,376)</u>
<b>Total assets less current liabilities</b>		<u>4,622,657</u>	<u>3,611,624</u>
Creditors: amounts falling due after more than one year	7	(73,000)	(73,000)
<b>Provisions for liabilities</b>			
Deferred tax	8	(310,556)	(115,069)
		<u>(310,556)</u>	<u>(115,069)</u>
<b>Net assets</b>		<u><u>4,239,101</u></u>	<u><u>3,423,555</u></u>
<b>Capital and reserves</b>			
Called up share capital	9	5,000	5,000
Revaluation reserve	10	1,495,360	1,351,370
Profit and loss account	10	2,738,741	2,067,185
		<u><u>4,239,101</u></u>	<u><u>3,423,555</u></u>

**DENCORA SECURITIES LIMITED**  
**REGISTERED NUMBER: 01109003**

**BALANCE SHEET (CONTINUED)**  
**AS AT 31 OCTOBER 2021**

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 the 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 have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

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: 26 July 2022

The notes on pages 3 to 8 form part of these financial statements.

## **DENCORA SECURITIES LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2021**

#### **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 Compliance with accounting standards**

The financial statements have been prepared using FRS102, the financial reporting standard applicable in the UK and Republic of Ireland, including the disclosure and presentation requirements of Section 1A, applicable to small companies. There were no material departures from that standard.

##### **2.3 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.

The financial statements have been prepared on a going concern basis as the directors believe that the Company to meet will continue to meet its liabilities as they fall due for a period of at least 12 months from the date of approval of the financial statements.

In assessing the appropriateness of the going concern basis of preparation the directors have taken into account the key uncertainty surrounding the Covid-19 pandemic. In doing so the directors have considered the Company's business model and availability of cash resources. The directors consider it appropriate therefore to prepare the financial statements on a going concern basis.

##### **2.4 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 over the term of the lease..

Sales of investment properties are recognised on date of completion.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2021

**2. Accounting policies (continued)**

**2.5 Investment property**

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

**2.6 Debtors**

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.7 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.

**2.8 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 in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company.

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.

**2.9 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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2021

**2. Accounting policies (continued)**

**2.10 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.

**2.11 Interest income**

Interest income is recognised in profit or loss using the effective interest method.

**2.12 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 (2020 - 2).

**DENCORA SECURITIES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2021**

**4. Investment property**

	Freehold investment property £
<b>Valuation</b>	
At 1 November 2020	3,700,000
Disposals	(244,204)
Surplus on revaluation	544,204
<b>At 31 October 2021</b>	<u><u>4,000,000</u></u>

The 2021 valuations were made by D J Williams MRICS, a director of the Company, on an open market value for existing use basis.

**5. Debtors**

	2021 £	2020 £
Trade debtors	7,782	20,191
Amounts owed by group undertakings	13,780,669	13,780,669
Prepayments and accrued income	2,983	2,920
	<u><u>13,791,434</u></u>	<u><u>13,803,780</u></u>

**6. Creditors: Amounts falling due within one year**

	2021 £	2020 £
Trade creditors	17,845	16,316
Amounts owed to group undertakings	13,300,156	13,997,648
Corporation tax	120,270	30,016
Other taxation and social security	134,293	37,518
Other creditors	56,164	56,043
Accruals and deferred income	27,594	20,290
	<u><u>13,656,322</u></u>	<u><u>14,157,831</u></u>

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

	2021 £	2020 £
Share capital treated as debt	<u><u>73,000</u></u>	<u><u>73,000</u></u>

**DENCORA SECURITIES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2021**

**8. Deferred taxation**

	2021 £	2020 £
At beginning of year	115,069	141,350
Charged to profit or loss	195,487	(26,281)
<b>At end of year</b>	<u><u>310,556</u></u>	<u><u>115,069</u></u>

The provision for deferred taxation is made up as follows:

	2021 £	2020 £
Accelerated capital allowances	310,556	115,069
	<u><u>310,556</u></u>	<u><u>115,069</u></u>

**9. Share capital**

	2021 £	2020 £
<b>Shares classified as equity</b>		
<b>Allotted, called up and fully paid</b>		
5,000 (2020 - 5,000) A Ordinary shares of £1.00 each	<u><u>5,000</u></u>	<u><u>5,000</u></u>
<b>Shares classified as debt</b>		
<b>Allotted, called up and fully paid</b>		
73,000 (2020 - 73,000) B Ordinary shares of £1.00 each	<u><u>73,000</u></u>	<u><u>73,000</u></u>

**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 2021**

#### **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 2021 amounted to £11,500,000 (2020: £12,249,874). 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 the exemption under FRS102 1A not to disclose transactions and balances with its parent and fellow subsidiary companies on the basis it is a wholly owned subsidiary.

#### **13. Post balance sheet events**

In March 2022 the Company sold some of the portfolio on investment properties for £1,225,000.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.