

Company Registration No. 01712730 (England and Wales)

DEVON & CORNWALL SECURITIES LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2021

PAGES FOR FILING WITH REGISTRAR

DEVON & CORNWALL SECURITIES LIMITED

COMPANY INFORMATION

Directors	Mr D Sproull Mr D M Sproull
Company number	01712730
Auditor	Phillips Frith LLP 9 Tregarne Terrace St Austell Cornwall PL25 4DD

DEVON & CORNWALL SECURITIES LIMITED

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DEVON & CORNWALL SECURITIES LIMITED

BALANCE SHEET

AS AT 30 APRIL 2021

		2021	2020
	Notes	£	£
Current assets			
Loans to customers	5	27,114,901	23,576,836
Debtors	6	318,058	519,605
Cash at bank and in hand		2,013,682	4,525,902
		29,446,641	28,622,343
Creditors: amounts falling due within one year	7	(23,884,279)	(19,341,847)
Net current assets		5,562,362	9,280,496
Creditors: amounts falling due after more than one year	8	(1,168,333)	(300,000)
Net assets		4,394,029	8,980,496
Capital and reserves			
Called up share capital	10	100,000	100,000
Profit and loss reserves		4,294,029	8,880,496
Total equity		4,394,029	8,980,496

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

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

The financial statements were approved by the board of directors and authorised for issue on 1 July 2021 and are signed on its behalf by:

Mr D Sproull
Director

Company Registration No. 01712730

DEVON & CORNWALL SECURITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2021

1 Accounting policies

Company information

Devon & Cornwall Securities Limited is a private company limited by shares incorporated in England and Wales. The registered office is 8 Fore Street, Camelford, Cornwall, PL32 9PG.

1.1 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 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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. The principal accounting policies adopted are set out below.

1.2 Going concern

The accounts have been prepared on the assumption that the company is able to carry on business as a going concern which the directors consider appropriate. See note 15 regarding the COVID-19 pandemic.

1.3 Turnover

Turnover is measured at the fair value of the consideration received or receivable. Turnover consists of the amount of interest, adjusted for accrued and deferred income, earned during the year on mortgage loans advanced, plus the amounts of fees and other trading income during the year.

1.4 Tangible fixed assets

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

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

Office equipment	20%
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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.

1.5 Cash at bank and in hand

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

1.6 Financial instruments

Impairment of financial assets

Specific provisions are made against mortgage loans on a case by case basis. Anticipated losses take into account the current achievable market value of the security and amounts recoverable from third parties.

Classification of financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into. Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

DEVON & CORNWALL SECURITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

1 Accounting policies

(Continued)

Debtors and creditors receivable/payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

1.7 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

1.8 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.9 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

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.

Bad debt provisions

Outstanding loan capital and interest arrears are reviewed by the directors at the year end and provisions for any specific doubtful debts are included in the financial statements. Calculation of these provisions requires judgements to be made about the amount recoverable on each loan.

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2021 Number	2020 Number
Total	9	7
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DEVON & CORNWALL SECURITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

4 Tangible fixed assets

	Office equipment £
Cost	
At 1 May 2020	8,775
Disposals	(8,775)
At 30 April 2021	-
Depreciation and impairment	
At 1 May 2020	8,775
Eliminated in respect of disposals	(8,775)
At 30 April 2021	-
Carrying amount	
At 30 April 2021	-
At 30 April 2020	-

5 Loans to customers

The balance in the financial statements represents the capital sum due to the company in respect of loans advanced (which are generally secured by first mortgages on freehold property) to individuals and private limited companies, less a provision for doubtful debts.

6 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	304,888	508,964
Other debtors	13,170	10,641
	<u>318,058</u>	<u>519,605</u>

7 Creditors: amounts falling due within one year

	2021 £	2020 £
Bank loans (secured)	16,722,813	15,329,400
Corporation tax	150,357	170,427
Other taxation and social security	39,399	47,267
Other creditors	6,971,710	3,794,753
	<u>23,884,279</u>	<u>19,341,847</u>

The bank loan is secured by fixed and floating charges over the whole assets of the company.

DEVON & CORNWALL SECURITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

8 Creditors: amounts falling due after more than one year

	2021	2020
	£	£
Bank loans and overdrafts	868,333	-
Other creditors	300,000	300,000
	<u>1,168,333</u>	<u>300,000</u>

Long term other creditors comprise unsecured loan stock due for repayment in 2025.

9 Related party transactions

The company has benefited from security given by related parties in the form of deeds of postponement in respect of other creditors of £5,729,000.

10 Called up share capital

	2021	2020	2021	2020
	Number	Number	£	£
Ordinary share capital Issued and fully paid				
Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>

11 Retirement benefit schemes

	2021	2020
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>4,909</u>	<u>4,149</u>

At the balance sheet date, unpaid contributions of £927 (2020: £869) were due to the fund. These are included in other creditors.

12 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Jane Webb.

The auditor was Phillips Frith LLP.

DEVON & CORNWALL SECURITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

13 Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

2021	2020
£	£
3,472	13,888
<u> </u>	<u> </u>

14 Events after the reporting date

The directors have considered the ongoing impact of Covid 19 as part of their going concern assessment.

Whilst there is a possibility of prolonged restriction on the UK's economic activity, particularly in some sectors such as hospitality, demand from potential borrowers is strong and the directors have forecast an increase in lending.

Strict controls continue to be in place to monitor interest arrears, mitigate the risk of loss and ensure that banking covenants are not breached.

As the company lends only 65% of the 90 day forced sale value of a property, the directors are confident that there is sufficient security value to cover capital and interest outstanding.

Having regard to the above, the directors believe it is appropriate to adopt the going concern basis of accounting in preparing the financial statements.

15 Parent company

The ultimate parent company was Devon & Cornwall Holdings Ltd, a company registered in England and Wales which holds 100% of the issued share capital of Devon & Cornwall Securities Limited.

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.