

**Annual report and  
Consolidated Financial Statements for the Year Ended 31 December 2018  
for  
Secured Property Developments plc  
Company Registration No. 02055395**

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Secured Property Developments plc

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for the Year Ended 31 December 2018

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Secured Property Developments plc

Company Information  
for the Year Ended 31 December 2018

<b>DIRECTORS:</b>	J Townsend R France R Shane J Soper
<b>SECRETARY:</b>	I Cobden
<b>REGISTERED OFFICE:</b>	Unit 6 42 Orchard Road London N6 5TR
<b>REGISTERED NUMBER:</b>	02055395 (England and Wales)
<b>AUDITOR:</b>	Lubbock Fine Chartered Accountants & Statutory Auditors Paternoster House 65 St. Paul's Churchyard London EC4M 8AB
<b>SHARE DEALING:</b>	The Company's Ordinary shares are quoted on the NEX Exchange (formerly the ISDX market) and persons can buy or sell shares through their stockbroker.
<b>REGISTRARS:</b>	Avenir Registrars Ltd 5 St. John's Lane London EC1M 4BH ylva.baeckstrom@avenir-registrars.co.uk www.avenir-registrars.co.uk Telephone 020 7692 5500
<b>SHARE PRICE:</b>	The middle market price of the Ordinary shares were quoted at 31 December 2018 on the NEX (previously the IDEX Market) at 25 pence per share (2017: 14.5 pence per share)

## Notice of meeting

NOTICE IS HEREBY GIVEN that the twenty seventh Annual General Meeting of Secured Property Developments plc will be held at The Royal Automobile Club, 89 Pall Mall, London, SW1Y 5HS on Wednesday 29 May 2019 at 11am for the following purposes:

- To receive and adopt the financial statement for the year ended 31 December 2018 together with the reports of the Directors and the Auditor thereon.
- To re-elect J Townsend as a director (retired by rotation)
- To authorise, by special resolution in accordance with s701 of the Companies Act 2006, the Board to purchase up to 5% of the Company's own shares in the open market at a minimum price of 10p per share and a maximum price of 60p per share, such powers to expire at the AGM to be held in 2020, or on 29 May 2020 if earlier.
- To appoint as Auditor Lubbock Fine and to authorise the Directors to agree their remuneration, such powers to expire at the AGM held in 2020.

By Order of the Board



I H Cobden  
Secretary

Date: 30th April 2019

### Notes:

1. Enclosed with these accounts is a letter concerning the supply of documents and information by e-mail. Please read this letter and, if you would like to receive documents and information in this way, please complete and return the enclosed form.
2. A member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company. Proxy forms must be lodged at the Registered Office not later than forty-eight hours before the time fixed for the meeting.
3. We would draw the attention of members proposing to attend the meeting to the RAC Club dress code, which requires men to wear a tailored jacket and trousers, collared shirt and tie at all times and women to dress with commensurate formality.

## Secured Property Developments plc

### **Chairman's statement**

We have continued to assess buying opportunities to invest in, both residential and commercial, in the hope that the farce surrounding Brexit, might have produced something by now, suitable for the Board to recommend for an acquisition.

However, competition continues to remain intense and the prices being achieved exceeding by some margin the levels we feel are worth investing at and despite a number of attempts to acquire suitable propositions, we have, as yet, been unsuccessful.

We continue to trawl all the auction catalogues nationwide as well as those opportunities being offered by private treaty and still remain optimistic that something will eventually fall into place.

With yet another extension granted on Brexit to 31st October 2019, we feel that the uncertainty it is causing will eventually generate a buying opportunity, encouraging more realistic pricing by the auctioneers on behalf of their vendor clients.

Our optimism for the future is borne out by both John Soper and I taking the decision to personally invest in the company's shares, when the opportunity arose late last year and we are determined to find the right proposal to invest the company's funds.

I would like to thank our auditors, Lubbock Fine, as well as my fellow Directors for their sterling work throughout the year, acting as always, in the best interests of our many shareholders for whom we thank for their continued patience until the right opportunity arises.



John P Townsend

CHAIRMAN



## Secured Property Developments plc

### **Strategic report**

#### **Principal Activities**

The principal activity of Secured Property Developments plc is investment in commercial and residential property. The Group comprises the holding company, a finance company and a second property company.

#### **Business Model**

At Secured Property Developments, we focus on maximising the return from our portfolio of properties whilst looking for new acquisitions where we can, by development, increase value and thereby create value for shareholders.

We create value by:-

#### **Acquiring Properties**

- We seek to acquire properties and unlock value.

#### **Optimise Income**

- Optimising income by development and carrying out improvements and good estate management.
- Employ our knowledge of occupiers' needs to let to high quality tenants from a wide range of businesses and to minimise the level of voids in our portfolio and
- Collecting our rental income on due date.

#### **Recycle Capital**

- Identify properties for disposal where value has been optimised and dispose of those which do not fit the Group's long-term plans.

#### **Maintain robust and flexible financing**

- Negotiate flexible financing and retain a healthy level of interest cover and gearing

#### **Business Review**

The results for the year are set out on page 11 of these consolidated financial statements.

The Group's investment properties have now all been sold and all borrowings have been repaid. A review of the business is included in the Chairman's Statement set out on page 3.

#### **Principal Risks and Uncertainties**

##### *Going Concern*

The directors have prepared the financial statements on a going concern basis.

### **Strategic report (Continued)**

**Principal Risks and Uncertainties (continued)**

The main risks arising from the Group's financial instruments are interest rate risk and liquidity risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

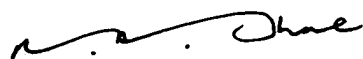
*Interest rate risk*

The Group has no exposure at the present time to interest rate risk however the Group's policy is to borrow at the lowest rates for periods that do not carry excessive time premiums.

*Liquidity risk*

As regards liquidity, the Group's policy has throughout the year been to ensure that the group is able at all times to meet its financial commitments as and when they fall due.

Signed on behalf of the Board



**R Shane**

*Director*

Dated: 30<sup>th</sup> April 2019

## Secured Property Developments plc

### Report of the Directors for the Year Ended 31 December 2018

The directors present their report with the financial statements of the Company and the Group for the year ended 31 December 2018.

#### **DIRECTORS**

The directors shown below held office during the period from 1 January 2018 to the date of this report unless otherwise stated.

J Townsend  
R France  
R Shane  
J Soper

The directors who held office at the end of the financial year had the following interests in the shares and loan stock of the group companies as recorded in the register of directors' share and debenture interests.

Director	Company	Class	Interest at 31 December 2018 Number	Interest at 1 January 2018 Number
J Townsend	SPD plc*	Ordinary shares	85,076	-
R France	SPD plc*	Ordinary shares	88,888	88,888
R Shane	SPD plc*	Ordinary shares	574,456	574,456
		Deferred shares	154,666	154,666
J Soper	SPD plc*	Ordinary shares	85,076	-

\* SPD plc is used above as an abbreviation for Secured Property Developments plc.

According to the register of directors' interests, no rights to subscribe for shares in or debentures of the Company or any other group company was granted to any of the directors or their immediate families, or exercised by them, during the financial year.

#### **Substantial shareholding of ordinary shares of 20p each as at 31 December 2018**

R France	4.51%
G Green	4.57%
R Shane	29.15%
J Townsend	4.32%
J Soper	4.32%

#### **Proposed dividend and transfer to reserves**

The directors do not recommend the payment of a dividend (2017: *£nil*).

The loss for the year retained in the group is £91,741 (2017: *£42,878 loss*).

#### **Events since the year end**

There have been no significant events since the year end.

#### **Financial Instruments**

Details of the group financial risk management objectives and policies are included in the notes to the financial statements.



Report of the Directors  
for the Year Ended 31 December 2018 (continued)

**FUTURE DEVELOPMENTS**

Following the sale of the last of the investment properties and repayment of loans the Directors are now able to actively consider investment and development opportunities that arise.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Report of the Directors 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 group and of the profit or loss of the group 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;
- ensure applicable UK accounting standards are followed subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's and the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

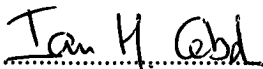
**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Group's auditor is unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

**AUDITOR**

Under section 487(2) of the Companies Act 2006, Lubbock Fine will have been deemed to have been reappointed as auditors 28 days after these financial statements have been sent to members or 28 days after the latest date prescribed for filing the accounts with the Registrar, whichever is earlier.

**ON BEHALF OF THE BOARD:**

  
.....  
I Cobden - Secretary

Date: 30<sup>th</sup> April 2019

**Secured Property Developments Plc**  
**Independent Audit Report**  
**For the Year Ended 31 December 2018**

To the members of Secured Property Developments Plc,

**OPINION**

We have audited the consolidated financial statements of Secured Property Developments Plc (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2018, which comprise the Group Income Statement, the Group and Company Balance Sheets, the Group and Company 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the consolidated financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 December 2018 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group and Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in the United Kingdom, including the Financial Reporting Council'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 consolidated financial statements is not appropriate; or
- the directors have not disclosed in the consolidated financial statements any identified material uncertainties that may cast significant doubt about the Group's or the parent 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 consolidated financial statements are authorised for issue.

**KEY AUDIT MATTERS**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p><i>Verification of bank balance</i></p> <p>At the balance sheet date, the balance per the bank was significantly material.</p> <p>There is a risk that this figure is not accurate and that the balance therefore does not exist.</p>	<p>Our procedures in relation to the verification of the bank balance included:</p> <ul style="list-style-type: none"> <li>- Confirming the balance to the bank confirmation letter.</li> <li>- Agreeing the balance to the bank statements.</li> </ul>

## OUR APPLICATION OF MATERIALITY

The scope and focus of our audit was influenced by our assessment and application of materiality. We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements on our audit and on the consolidated financial statements.

We define financial statements materiality as the magnitude by which misstatements, including omissions, could influence the economic decisions taken on the basis of the consolidated financial statements by reasonable users.

We also determine a level of performance materiality, which we use to determine the extent of testing needed to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the consolidated financial statements as a whole.

- **Overall materiality** - We determine materiality for the consolidated financial statements as a whole to be £27,500. This was based on the key performance indicator, being 5% of net assets. We believe net asset values are the most appropriate bench mark due to the minimal income statement activity during the year and existence of key balance sheet items.
- **Performance materiality** - On the basis of our risk assessment, together with our assessment of the company's control environment, our judgement is that performance materiality for the consolidated financial statements should be 65% of materiality, amounting to £17,900.

## AN OVERVIEW OF THE SCOPE OF OUR AUDIT

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

We tailored the scope of our audit to ensure that we performed sufficient work to be able to give an opinion on the financial statements as a whole, taking into account an understanding of the structure of the group and company, its activities, the accounting processes and controls, and the industry in which they operate. Our planned audit testing was directed accordingly and was focused on areas where we assessed there to be the highest risk of material misstatement. During the audit, we reassessed and re-valuated audit risks and tailored our approach accordingly.

The audit testing included substantive testing on significant transactions, balances and disclosures, the extent of which was based on various factors such as our overall assessment of the control environment, the effectiveness of controls and management of specific risk.

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

## OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our Auditors' Report thereon. Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 consolidated 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.

## OPINION 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 Group Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the consolidated financial statements; and
- the Group Strategic Report and the Directors' Report have 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 Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Group, or returns adequate for our audit have not been received from branches not visited by us; or
- the Group consolidated 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 on page 7, the directors are responsible for the preparation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group and parent 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 Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

## **AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE GROUP FINANCIAL STATEMENTS**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' 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 consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' 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 Auditors' 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.



**Lee Facey** (Senior Statutory Auditor)  
for and on behalf of  
**Lubbock Fine**  
Chartered Accountants & Statutory Auditors  
3rd Floor Paternoster House  
65 St Paul's Churchyard  
London  
EC4M 8AB  
Date: 30<sup>th</sup> April 2019

**Consolidated Income Statement**  
**for the Year Ended 31 December 2018**

	Notes	31.12.18 £	31.12.17 £
<b>TURNOVER</b>	3	-	-
Cost of sales		-	-
<b>GROSS PROFIT</b>		-	-
Administrative expenses		(105,648)	(90,302)
<b>OPERATING (LOSS)</b>	5	(105,648)	(90,302)
Profit on sale of tangible fixed assets		-	-
<b>(LOSS) ON ORDINARY ACTIVITIES BEFORE INTEREST AND TAXATION</b>		(105,648)	(90,302)
Interest receivable and similar income		13,907	47,424
Interest payable and similar charges		-	-
<b>(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(91,741)	(42,878)
Tax on profit on ordinary activities	6	-	-
<b>(LOSS) FOR THE FINANCIAL YEAR FOR THE GROUP</b>		(91,741)	(42,878)
(Loss) attributable to: Owners of the parent		(91,741)	(42,878)
Earnings per share expressed in pence per share:	8		
Basic		(4.65)	(2.17)
Diluted		(4.65)	(2.17)

The Company has no recognised gains or losses other than those disclosed in the Income Statement above.  
Consequently, no Statement of Other Comprehensive Income is presented.

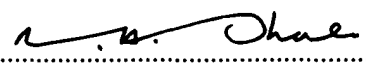
The notes form part of these financial statements

**Consolidated Balance Sheet**  
**31 December 2018**

	Notes	31.12.18 £	31.12.17 £
<b>FIXED ASSETS</b>			
Tangible assets	9	-	-
<b>CURRENT ASSETS</b>			
Debtors	11	6,188	585,538
Cash in hand	12	583,997	124,674
		590,185	710,212
<b>CREDITORS</b>			
Amounts falling due within one year	13	(36,169)	(64,455)
<b>NET CURRENT ASSETS</b>		554,016	645,757
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		554,016	645,757
<b>CAPITAL AND RESERVES</b>			
Called up share capital	14	418,861	418,861
Share premium		3,473	3,473
Profit and Loss Account		131,682	223,423
<b>SHAREHOLDERS' FUNDS</b>		554,016	645,757

The financial statements were approved by the Board of Directors on 30<sup>th</sup> April 2019 and were signed on its behalf by:

  
.....  
J Townsend - Director

  
.....  
R Shane - Director

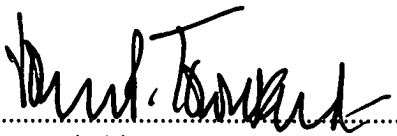
Registered number: 02055395

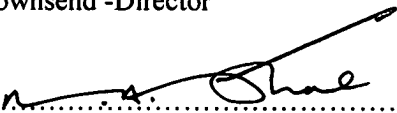
The notes form part of these financial statements

Company Balance Sheet  
31 December 2018

	Notes	31.12.18 £	£	31.12.17 £	£
<b>FIXED ASSETS</b>					
Tangible assets	9		-		-
Investments	10		4		4
			4		4
<b>CURRENT ASSETS</b>					
Debtors	11	6,188		584,739	
Cash in hand	12	569,870		110,546	
		576,058		695,285	
<b>CREDITORS</b>					
Amounts falling due within one year	13	(274,525)		(302,011)	
<b>NET CURRENT ASSETS</b>			301,533		393,274
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			301,537		393,278
<b>CAPITAL AND RESERVES</b>					
Called up share capital	14	418,861		418,861	
Share premium		3,473		3,473	
Retained earnings		(120,797)		(29,056)	
<b>SHAREHOLDERS' FUNDS</b>			301,537		393,278

The financial statements were approved by the Board of Directors on 30<sup>th</sup> April 2019 and were signed on its behalf by:

  
.....  
J Townsend -Director

  
.....  
R Shane - Director

The notes form part of these financial statements

**Consolidated Statement of Changes in Equity**  
**for the Year Ended 31 December 2018**

	Called up share capital £	Profit & Loss Account £	Share premium £	Total equity £
<b>Balance at 1 January 2017</b>	418,861	266,301	3,473	688,635
<b>Changes in equity</b>				
Total comprehensive income	-	(42,878)	-	(42,878)
<b>Balance at 31 December 2017</b>	418,861	223,423	3,473	645,757
<b>Changes in equity</b>				
Total comprehensive income	-	(91,741)	-	(91,741)
<b>Balance at 31 December 2018</b>	418,861	131,682	3,473	554,016

The notes form part of these financial statements



Company Statement of Changes in Equity  
for the Year Ended 31 December 2018

	Called up share capital £	Profit & Loss Account £	Share premium £	Total equity £
<b>Balance at 1 January 2017</b>	418,861	13,822	3,473	436,156
<b>Changes in equity</b>				
Total comprehensive income	-	(42,878)	-	(42,878)
<b>Balance at 31 December 2017</b>	418,861	(29,056)	3,473	393,278
<b>Changes in equity</b>				
Total comprehensive income	-	(91,741)	-	(91,741)
<b>Balance at 31 December 2018</b>	418,861	(120,797)	3,473	301,537

The notes form part of these financial statements

**Consolidated Cash Flow Statement**  
**for the Year Ended 31 December 2018**

	31.12.18 £	31.12.17 £
<b>Cash flows from operating activities</b>		
(Loss) for the financial year	(91,741)	(42,878)
Interest received	(13,907)	(47,424)
Decrease /(increase) in debtors	579,350	(193,189)
Increase / (decrease) in creditors	<u>(28,286)</u>	<u>19,667</u>
Net cash from operating activities	<u>445,416</u>	<u>(263,824)</u>
<b>Cash flows from investing activities</b>		
Interest received	<u>13,907</u>	<u>47,424</u>
Net cash from investing activities	459,323	47,424
<b>Cash flows from financing activities</b>		
Interest paid	<u>-</u>	<u>-</u>
Net cash from financing activities	<u>-</u>	<u>-</u>
Increase / (Decrease) in cash and cash equivalents	459,323	(216,400)
Cash and cash equivalents at beginning of year	<u>124,674</u>	<u>341,074</u>
<b>Cash and cash equivalents at end of year</b>	<u><u>583,997</u></u>	<u><u>124,674</u></u>

The notes form part of these financial statements

Notes to the Consolidated Financial Statements  
for the Year Ended 31 December 2018

**1. ACCOUNTING POLICIES**

Secured Property Developments plc (the "Company") is a public company limited by shares and incorporated and domiciled in the UK. The address of the Company's registered office is given in the company information page 1 of these financial statements.

These Group and parent company financial statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"). The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1.

**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, except for tangible fixed assets measured in accordance with the revaluation model.

**Turnover**

Turnover comprises revenue recognised by the Group in respect of services supplied during the year and is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

**Basis of consolidation**

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings made up to 31 December 2018. A subsidiary is an entity that is controlled by the parent. The results of subsidiary undertakings are included in the consolidated profit and loss account from the date that control commences until the date that control ceases. Control is established when the Company has the power to govern the operating and financial policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

Under Section 408 of the Companies Act 2006 the Company is exempt from the requirement to present its own profit and loss account.

In the parent financial statements, investments in subsidiaries are carried at cost less impairment.

**Classification of financial instruments issued by the group**

In accordance with FRS 102.22, financial instruments issued by the group are treated as equity only to the extent that they meet the following two conditions:

- a) they include no contractual obligations upon the group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the group; and
- b) where the instrument will or may be settled in the entity's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the entity's own equity instruments or is a derivative that will be settled by the entity exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2018

**1. ACCOUNTING POLICIES (continued)**

**Classification of financial instruments issued by the group (continued)**

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the entity's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

**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

- i. investment properties whose fair value can be measured reliably without undue cost or effort are held at fair value. Any gains or losses arising from changes in the fair value are recognised in profit or loss in the period that they arise; and
- ii. no depreciation is provided in respect of investment properties applying the fair value model.

If a reliable measure is not available without undue cost or effort for an item of investment property, this item is thereafter accounted for as tangible fixed assets in accordance with section 17 FRS 102 until a reliable measure of fair value becomes available.

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

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.

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 rates and allowances applicable to the sale of the asset/property. Deferred tax balances are not discounted.

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.

**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.

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2018

**1. ACCOUNTING POLICIES (continued)**

**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 three months. 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.

**Financial Instruments**

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

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 case of an out-right 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.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

**Creditors**

Short term creditors are measured at 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. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that effect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenue and expenses during the year. However, the nature of the estimation means that actual outcomes could differ from those estimates. There are no key sources of estimation uncertainty.

**Notes to the Consolidated Financial Statements - continued**  
**for the Year Ended 31 December 2018**

**3. TURNOVER**

An analysis of turnover is as follows:

	31.12.18	31.12.17
	£	£
Rental income	-	-

The future aggregate minimum rentals receivable under non-cancellable operating leases within one year was £nil (2017 - nil).

**4. STAFF COSTS**

The average number of staff during the year was nil (2017-nil) and there were no staff costs for the year ended 31 December 2018 or for the year ended 31 December 2017.

**5. OPERATING (LOSS)**

The operating loss is stated after charging:

	31.12.18	31.12.17
	£	£
Auditor's remuneration – fees payable to the Group's auditor for the audit of the group's annual accounts.	6,000	5,000
Directors' remuneration	-	-

Details of the fees charged by the Chairman and other Directors are shown in note 16 to these financial statements.

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2018

**6. TAXATION**

**Analysis of the tax charge**

The tax charge on the profit on ordinary activities for the year was as follows:

	31.12.18 £	31.12.17 £
Current tax:		
UK corporation tax	-	-
Tax on profit on ordinary activities	-	-

**Reconciliation of effective tax rate**

	31.12.18 £	31.12.17 £
(Loss) for the year	(91,741)	(42,878)
Total tax expense	-	-
(Loss) for the year excluding taxation	(91,741)	(42,878)
Tax using the UK corporation tax rate of 19% (2017: 19.25%)	(17,431)	(8,254)
Non-deductible expenses	-	-
Current year losses	17,431	8,254
Total tax expense included in profit or loss	-	-

**Factors that may affect future current and total tax charges**

A deferred tax asset of £54,036 (2017 - £38,440) at the year end has not been recognised due to uncertainty surrounding the Group's future taxable profits.

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2018

**7. PROFIT OF PARENT COMPANY**

As permitted by Section 408 of the Companies Act 2006, the Profit and Loss account of the parent company is not presented as part of these financial statements. The parent company's loss for the financial year was £91,741 (2017 - £42,878 loss).

**8. EARNINGS PER SHARE**

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share is calculated using the weighted average number of shares adjusted to assume the conversion of all dilutive potential ordinary shares.

Reconciliations are set out below.

	Earnings £	31.12.18 Weighted average number of shares	Per-share amount pence
<b>Basic EPS</b>			
Earnings attributable to ordinary shareholders	(91,741)	1,970,688	(4.65)
Effect of dilutive securities	-	-	-
<b>Diluted EPS</b>			
Adjusted earnings	<u>(91,741)</u>	<u>1,970,688</u>	<u>(4.65)</u>

	Earnings £	31.12.17 Weighted average number of shares	Per-share amount pence
<b>Basic EPS</b>			
Earnings attributable to ordinary shareholders	(42,878)	1,970,688	(2.17)
Effect of dilutive securities	-	-	-
<b>Diluted EPS</b>			
Adjusted earnings	<u>(42,878)</u>	<u>1,970,688</u>	<u>(2.17)</u>



Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2018

**9. TANGIBLE FIXED ASSETS**

**Group**

	Freehold property £
<b>COST / VALUATION</b>	
At 1 January 2018	-
Additions / Disposals	-
	<hr/>
At 31 December 2018	-
	<hr/>
<b>NET BOOK VALUE</b>	
At 31 December 2018	-
	<hr/> <hr/>
At 31 December 2017	-
	<hr/> <hr/>

**Company**

	Freehold property £
<b>COST / VALUATION</b>	
At 1 January 2018	-
Additions/Disposals	-
	<hr/>
At 31 December 2018	-
	<hr/>
<b>NET BOOK VALUE</b>	
At 31 December 2018	-
	<hr/> <hr/>
At 31 December 2017	-
	<hr/> <hr/>

**Notes to the Consolidated Financial Statements - continued**  
**for the Year Ended 31 December 2018**

**10. FIXED ASSET INVESTMENTS**

	<b>Company</b>	
	31.12.18	31.12.17
	£	£
Shares in group undertakings	4	4
	<hr/>	<hr/>
	4	4
	<hr/> <hr/>	<hr/> <hr/>

Additional information is as follows:

The following relates to ordinary shares held in subsidiary companies, Secured Property Developments (Scarborough) Limited and SPD Discount Limited, both companies registered in England and both companies being 100% owned by the holding company throughout the period.

<b>Company</b>	<b>Shares in group undertakings £</b>
<b>COST</b>	
At 1 January 2018 and 31 December 2018	<hr/> 4
<b>NET BOOK VALUE</b>	
At 31 December 2018	<hr/> 4
At 31 December 2017	<hr/> 4

**Notes to the Consolidated Financial Statements - continued**  
**for the Year Ended 31 December 2018**

**11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group</b>		<b>Company</b>	
	31.12.18	31.12.17	31.12.18	31.12.17
	£	£	£	£
Prepayments and accrued income	4,048	3,833	4,048	3,833
Amounts due from related parties	-	580,013	-	580,013
Other debtors	2,140	1,692	2,140	893
	<u>6,188</u>	<u>585,538</u>	<u>6,188</u>	<u>584,739</u>

**12. CASH AND CASH EQUIVALENTS**

	<b>Group</b>		<b>Company</b>	
	31.12.18	31.12.17	31.12.18	31.12.17
	£	£	£	£
Cash at bank	583,997	124,674	569,870	110,546
	<u>583,997</u>	<u>124,674</u>	<u>569,870</u>	<u>110,546</u>

**13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group</b>		<b>Company</b>	
	31.12.18	31.12.17	31.12.18	31.12.17
	£	£	£	£
Trade creditors	7,384	4,043	7,384	4,043
Amounts owed to group undertakings	-	-	241,178	240,379
Tax	1,874	1,874	1,932	1,932
Other creditors	8,691	8,679	5,811	5,798
Accrued expenses	18,220	49,859	18,220	49,859
	<u>36,169</u>	<u>64,455</u>	<u>274,525</u>	<u>302,011</u>

**Notes to the Consolidated Financial Statements - continued**  
**for the Year Ended 31 December 2018**

**14. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.12.18	31.12.17
			£	£
1,970,688	Ordinary	£0.20p	394,138	394,138
1,236,154	Deferred	£0.02p	24,723	24,723
			<u>418,861</u>	<u>418,861</u>

The respective rights of the shareholders are as follows:

*Ordinary shares*

The ordinary shares have the right to all available capital and distributable profits subject only to any right available to the deferred shares on winding up.

*Deferred shares*

The deferred shares have no rights to vote, receive notices, or attend general meetings, nor to any income. On the return of capital on a winding-up or otherwise the deferred shares have no entitlement until the sum of £100,000 per ordinary share shall have been distributed.

**15. RESERVES**

Share premium:

Includes the premium paid by shareholders on ordinary shares.

Retained earnings:

Includes all current and prior periods retained profits and losses, less dividends paid.

**16. RELATED PARTY DISCLOSURES**

During the period the company entered into transactions, in the ordinary course of the business, with other related parties. Transactions entered into, and trading balances outstanding at 31 December 2018, are as follows:

Transactions with key management personnel

J Townsend:

During the year, Mr Townsend received £27,158 (2017 - £25,008) in respect of professional fees. The amount outstanding as at the year end was £2,084 (2017 - £2,084).

J Soper:

During the year, Mr Soper received £11,437 (2017 - £5,965) in respect of professional fees. There was nothing outstanding as at the year end.

R Shane:

At the year end date an amount of £160 (2017 - £160) was due to Mr Shane in respect of expenses incurred on behalf of the holding company.

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2018

**16. RELATED PARTY DISCLOSURES (continued)**

Transactions with other related parties

**St James's Property Services Limited:**

St James's Property Services Limited of which R Shane is a director and shareholder received £26,845 (2017 - £21,975) from the holding company in respect of management services. The amount outstanding at the year end is £9,531 (2017 - £39,475).

St James's Property Services Limited also received £8,620 (2017 - £8,568) from the holding company in respect of rent and other expenses.

**Guildhall Brokers and Consultants Limited:**

Guildhall Brokers and Consultants Limited of which R Shane is a director and shareholder received £1,364 (2017 - £1,364) for insurance premiums.

**Space Property Corporation Limited:**

During the year the holding company provided a loan to Space Property Corporation Limited of which R Shane is the sole beneficial shareholder. The loan was repaid during the year and the amount included in debtors at the year end is £nil (2017- £580,013) which included interest charged in the year of £13,462 (2017 -£47,147).

**Shane Computer Consulting Limited:**

Shane Computer Consulting Limited of which R Shane's son is a director and shareholder received £6,000 (2017 - £6,000) from the holding company in respect of computer services.

**Terms and conditions of transactions with related parties**

Transactions with related parties are made at normal market prices. Outstanding balances with entities are unsecured, interest free and repayable on demand.

Key management personnel includes those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including directors. Total amounts paid to key management personnel during the period was £38,594 (2017 - £30,973).

**17. FINANCIAL INSTRUMENTS**

**Group:**

	31.12.18	31.12.17
	£	£
<b>Financial Assets</b>		
Financial assets that are debt instruments measured at amortised costs	<u>2,140</u>	<u>581,705</u>
<b>Financial Liabilities</b>		
Financial liabilities measured at amortised costs	<u>34,295</u>	<u>62,581</u>

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2018

**17. FINANCIAL INSTRUMENTS (continued)**

Company:

	31.12.18 £	31.12.17 £
Financial Assets	2,140	580,906
Financial assets that are debt instruments measured at amortised costs		
Financial Liabilities	272,593	300,079
Financial liabilities measured at amortised costs		

The material risk arising from the Group and Company's financial instruments is liquidity risk.

**Liquidity risk**

The objective of the Group and Company managing liquidity is to ensure it can meet its financial obligations as and when they fall due. The Group and Company expects to meet these through operating cash flows.

**18. POST BALANCE SHEET EVENTS**

There have been no significant events since the year end.

**19. CONTROLLING PARTY**

The directors consider that there is no single controlling party.

**Form of proxy for use at the annual general meeting on Thursday 29<sup>th</sup> May 2019**

I/We \_\_\_\_\_  
(Please insert full name in BLOCK CAPITALS)

of \_\_\_\_\_  
(Please insert address in BLOCK CAPITALS)

being (a) member(s) of the above named Company HEREBY APPOINT the Chairman of the meeting (see note 6)

to act as my/our proxy at the Annual General Meeting of the Company to be held on Wednesday 29<sup>th</sup> May 2019 and at any adjournment thereof, and to vote on my/our behalf as indicated below:

Resolution No.	For	Against
1 To adopt the directors' report and financial statements for the year ended 31 December 2018		
2 To re-elect J Townsend as a director		
3 To authorise, by special resolution in accordance with s701 of the Companies Act 2006, the Board to purchase up to 5% of the Company's own shares in the open market at a minimum price of 10p per share and a maximum price of 60p per share, such powers to expire at the AGM to be held in 2020, or on 29 May 2020 if earlier.		
4 THAT Lubbock Fine be and are hereby appointed auditors of the Company and will hold office from the conclusion of this meeting until the conclusion of the next general meeting at which accounts are laid before the company, and that their remuneration be fixed by the Directors.		

Please indicate with an "X" in the space provided how you wish your votes to be cast on a poll. Should this form be returned duly completed and signed, but without a specific direction, the proxy will vote or abstain at his discretion.

Dated \_\_\_\_\_ 2019 Signature \_\_\_\_\_

Notes

1. A proxy need not be a Member of the Company.
2. In the case of joint holders the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holders. For this purpose seniority is determined by the order in which the names stand in the Register of Members.
3. In the case of a corporation this proxy must be given under its Common Seal or be signed on its behalf by an officer, attorney or other person duly authorised.
4. To be valid this proxy must be deposited at the Company's Registered Office not later than 48 hours before the time appointed for holding the Meeting together, if appropriate, with the power of attorney or other authority under which is a signed or potentially certified copy of such power of authority.
5. Any alterations made on this form should be initialed.
6. If it is desired to appoint as a proxy any person other than the Chairman of the Meeting, his/her name and address should be inserted in the relevant place, reference to the Chairman deleted and the alteration initialed.

