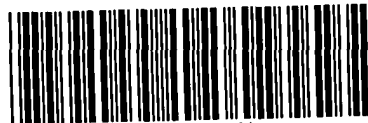


Registered Number: 03824350

Report of the Directors and  
Financial Statements for the Year Ended 31 December 2016  
for  
Secured Property Developments  
(Scarborough) Limited

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Secured Property Developments  
(Scarborough) Limited

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for the Year Ended 31 December 2016

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Secured Property Developments  
(Scarborough) Limited

Company Information  
for the Year Ended 31 December 2016

**DIRECTORS:**

R Shane  
R France

**SECRETARY:**

I Cobden

**REGISTERED OFFICE:**

Unit 6, 42 Orchard Road  
London  
N6 5TR

**REGISTERED NUMBER:**

03824350 (England and Wales)

**AUDITOR:**

Lubbock Fine  
Chartered Accountants and Statutory  
Auditors  
Paternoster House  
65 St. Paul's Churchyard  
London EC4M 8AB

Secured Property Developments  
(Scarborough) Limited

Report of the Directors  
for the Year Ended 31 December 2016

The directors present their report with the financial statements of the Company for the year ended 31 December 2016.

**DIRECTORS**

The directors shown below have held office during the period from 1 January 2016 to the date of this report.

R Shane  
R France

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

**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 (UK Generally accepted accounting practice), including FRS102 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 of the profit or loss of the company 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 company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**DISCLOSURE OF INFORMATION TO AUDITOR**

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

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

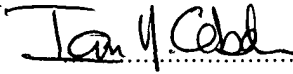
Secured Property Developments  
(Scarborough) Limited

Report of the Directors  
for the Year Ended 31 December 2016 (continued)

**AUDITORS**

The auditors, Lubbock Fine, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

**ON BEHALF OF THE BOARD:**

  
.....  
I Cobden - Secretary

Date: 22 May 2017

Report of the Independent Auditors to the Shareholders of  
Secured Property Developments  
(Scarborough) Limited

We have audited the financial statements of Secured Property Developments (Scarborough) Limited for the year ended 31 December 2016 on pages 6 to 14. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the Company's shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2016 and of its profit or loss 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.

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with those financial statements and such reports have been prepared in accordance with applicable legal requirements.

In the light of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

Report of the Independent Auditors to the Shareholders of  
Secured Property Developments  
(Scarborough) Limited (continued)

**Matters on which we are required to report by exception**

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the directors' was not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the Directors' Report and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.



Lee Facey (Senior Statutory Auditor)  
for and on behalf of  
**Lubbock Fine**  
Chartered Accountants & Statutory Auditors  
65 St Paul's Churchyard  
London  
EC4M 8AB

Date: 24 May 2017

Secured Property Developments  
(Scarborough) Limited

Income Statement  
for the Year Ended 31 December 2016

	Notes	31.12.16 £	31.12.15 £
<b>TURNOVER</b>	3	7,000	62,927
Cost of sales		<u>(976)</u>	<u>(207)</u>
<b>GROSS PROFIT</b>		6,024	62,720
Administrative expenses		<u>(28,257)</u>	<u>(73,070)</u>
<b>OPERATING LOSS</b>	4	(22,333)	(10,350)
Exceptional Item	7	-	23,724
Profit on sale of tangible fixed assets		<u>20,957</u>	<u>21,031</u>
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST AND TAXATION</b>		(1,276)	34,405
Interest payable and similar charges		<u>-</u>	<u>-</u>
<b>(LOSS) / PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(1,276)	34,405
Tax on profit on ordinary activities	8	<u>-</u>	<u>-</u>
<b>(LOSS) / PROFIT FOR THE FINANCIAL YEAR</b>		<u>(1,276)</u>	<u>34,405</u>


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

**Secured Property Developments**  
**(Scarborough) Limited (Registered number: 03824350)**

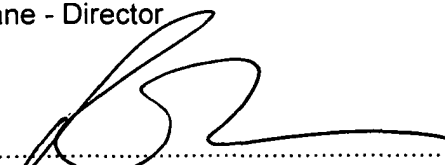
**Balance Sheet**  
**31 December 2016**

	Notes	31.12.16 £	£	31.12.15 £	£
<b>FIXED ASSETS</b>					
Tangible assets	9		-		300,000
<b>CURRENT ASSETS</b>					
Debtors	10	245,179		881,287	
Prepayments and accrued income		<u>58</u>		<u>976</u>	
		245,237		881,263	
<b>CREDITORS</b>					
Amounts falling due within one year	11	<u>(4,000)</u>		<u>(939,750)</u>	
<b>NET CURRENT ASSETS / (LIABILITIES)</b>			<u>241,237</u>		<u>(57,487)</u>
<b>NET ASSETS</b>			<u>241,237</u>		<u>242,513</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	12		2		2
Retained earnings			<u>241,235</u>		<u>242,511</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>241,237</u>		<u>242,513</u>

The financial statements were approved by the Board of Directors on 22 May 2017 and were signed on its behalf by:

  
.....

R Shane - Director

  
.....

R France - Director

Secured Property Developments  
(Scarborough) Limited

Statement of Changes in Equity  
for the Year Ended 31 December 2016

	Called up share capital £	Profit & Loss Account £	Total equity £
<b>Balance at 1 January 2015</b>	2	208,106	208,108
<b>Changes in equity</b>			
Total comprehensive income	-	34,405	34,405
<b>Balance at 31 December 2015</b>	2	242,511	242,513
<b>Changes in equity</b>			
Total comprehensive income	-	(1,276)	(1,276)
<b>Balance at 31 December 2016</b>	2	241,235	241,237

Secured Property Developments  
(Scarborough) Limited

Notes to the Financial Statements  
for the Year Ended 31 December 2016

**1. ACCOUNTING POLICIES**

Secured Property Developments (Scarborough) Limited (the "Company") is a 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 on page 1 of these financial statements.

These 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"). All amounts in the financial statements have been rounded to the nearest £1.

The Company's parent undertaking, Secured Property Developments plc, includes the Company in its consolidated financial statements. The consolidated financial statements of Secured Property Developments plc are available to the public and may be obtained from the address in note 13.

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

- Financial Instruments
- Cash Flow Statement and related notes.

The Company has taken advantage of the exemption contained in FRS 102.33.1A not to disclose transactions with entities that are part of the group headed by Secured Property Developments plc on the grounds that it is a wholly owned subsidiary and the consolidated financial statements of the Group are publicly available.

**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 Company 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.

**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.

1. **ACCOUNTING POLICIES (continued)**

**Current and deferred taxation (continued)**

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.

**Tangible fixed assets**

***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 of FRS 102 until a reliable measure of fair value becomes available.

**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.

**Financial Instruments**

The company only enters into basic financial instruments 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.

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2016

**1. ACCOUNTING POLICIES (continued)**

**Financial instruments (continued)**

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 future cash flows and subsequently amortised using the effective interest method. Debt instruments that are payable and receivable within one year, typically trade debtors and creditors expected to be paid or received, 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 market rate or in the 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, 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 or judgements applied in preparing these financial statements.

**3. TURNOVER**

	31.12.16	31.12.15
	£	£
Rental income	<u>7,000</u>	<u>62,927</u>

The future aggregate minimum rentals receivable under non-cancellable operating leases within one year was £nil (2015 - £52,000).

**Secured Property Developments**  
**(Scarborough) Limited**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2016**

**4. OPERATING LOSS**

The operating loss is stated after charging:

	31.12.16	31.12.15
	£	£
Auditor's remuneration	<u>4,000</u>	<u>5,750</u>
Directors' remuneration and other benefits	<u>-</u>	<u>-</u>

**5. STAFF COSTS**

There were no staff costs for the year ended 31<sup>st</sup> December 2016 (2015 – nil). The directors do not receive remuneration for services to the company (2015 – nil). The average number of staff during the year was nil (2015 - nil).

**6. AUDITORS' REMUNERATION**

	31.12.16	31.12.15
	£	£
Fees payable to the Company's auditor for the audit of the Company's annual accounts	<u>4,000</u>	<u>5,750</u>

**7. EXCEPTIONAL ITEM**

This represents compensation received (less related expenses incurred) in respect of the claim for mis-selling by RBS of its financial products.

**8. TAXATION**

**Analysis of the tax charge**

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

	31.12.16	31.12.15
	£	£
Current tax:		
UK corporation tax	<u>-</u>	<u>-</u>
Tax on profit on ordinary activities	<u>-</u>	<u>-</u>

Secured Property Developments  
(Scarborough) Limited

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2016

8. **TAXATION (continued)**

**Reconciliation of effective tax rate**

	31.12.16	31.12.15
	£	£
(Loss) / Profit for the year	(1,276)	34,450
Total tax expense	—	—
(Loss) / Profit for the year excluding taxation	<u>(1,276)</u>	<u>34,405</u>
Tax using the UK corporation tax rate of 20% (2015: 21.25%)	(255)	4,872
Tax relating to sale of property	(4,191)	(4,258)
Group relief available	-	(614)
Marginal relief	-	-
Movement in tax losses	<u>4,447</u>	—
Total tax expense included in Profit and Loss	<u>—</u>	<u>—</u>

**Factors that may affect future tax charges**

There are no factors that may affect future tax charges.

9. **TANGIBLE FIXED ASSETS**

	Investment Property £
<b>COST</b>	
At 1 January 2016	300,000
Disposals	<u>(300,000)</u>
At 31 December 2016	—
<b>NET BOOK VALUE</b>	
At 31 December 2016	<u>—</u>
At 31 December 2015	<u>300,000</u>

If the investment property had been accounted for under the historic cost accounting rules, the property would have been measured at £nil (2015 - £296,257).

Secured Property Developments  
(Scarborough) Limited

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2016

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

	31.12.16	31.12.15
	£	£
Trade debtors	-	3,257
Amounts owed by group undertakings	245,719	875,766
Other debtors	-	2,264
	<u>245,719</u>	<u>881,287</u>

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

	31.12.16	31.12.15
	£	£
Amounts owed to group undertakings	-	934,000
Accruals and deferred income	<u>4,000</u>	<u>5,750</u>
	<u>4,000</u>	<u>939,750</u>

**12. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:				
Number:	Class:	Nominal	31.12.16	31.12.15
value:			£	£
2	Ordinary	£1	<u>2</u>	<u>2</u>

**13. IMMEDIATE AND ULTIMATE PARENT COMPANY**

The immediate and ultimate parent company is Secured Property Developments plc, a company registered in England and Wales. The registered office of Secured Property Developments plc is Unit 6, 42 Orchard Road, London, N6 5TR. The largest and smallest group into which these financial statements are consolidated is that headed by Secured Property Developments plc. Copies of these consolidated financial statements may be obtained from the Registrar of Companies, Companies House, Crown Way, Cardiff, CF4 3UZ.