

Group Strategic Report, Report of the Directors and
Consolidated Financial Statements for the Year Ended 31st December 2021
for
Secured Property Developments Plc

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for the Year Ended 31st December 2021

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DIRECTORS:	R E France R A Shane
SECRETARY:	I H Cobden
REGISTERED OFFICE:	Unit 6 42 Orchard Road London N6 5TR
REGISTERED NUMBER:	02055395 (England and Wales)
AUDITORS:	Lubbock Fine LLP Chartered Accountants & Statutory Auditors 3rd Floor Paternoster House 65 St. Paul's Churchyard London EC4M 8AB
SHARE DEALING:	The Company's Ordinary shares are quoted on the AQSE growth market and persons can buy or sell shares Through their stockbroker.
REGISTRARS:	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
SHARE PRICE:	The middle market price of the Ordinary shares was quoted At 31 December 2021 on the AQSE growth market at 18.00 pence per share (2020: 17.50 pence per share)

SECURED PROPERTY DEVELOPMENTS PLC
Unit 6 ,Orchard Mews ,42 Orchard Road
Highgate,London N6 5TR
Tel: 020 8446 6306 Fax: 020 8446 8975

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Notice of Meeting

NOTICE IS HEREBY GIVEN that the thirtieth Annual General Meeting (AGM) of Secured Property Development plc will be held at The Small Mall Room, The Royal Automobile Club, 89 Pall Mall, London, SW1Y 5HS on Friday 14th October 2022 at 11am for the following purposes:

- To receive and adopt the financial statement for the year ended 31st December 2021 together with the reports of the Directors and the Auditor thereon.
- To re-elect R France 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 2023, or on 14th October 2022 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 2023

By Order of the Board

I H Cobden
Secretary

Date: 22nd September 2022

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
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Chairman's Statement Year End 31st December 2021

The war in Ukraine has changed the world economic outlook and an oil and gas price spike has resulted in price inflation. The effects of the Coronavirus pandemic no longer dominate events but the knock on effects and long term financial damage to the economy can now be seen.

The Board has continued to reduce overheads and as a result the company is in a good financial position.

R A Shane
Chairman

Company No. 2055395
Registered office: as above

Business Model

At Secured Property Developments, we focus on 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. We are interested in developing and converting properties for use by members of the public who due to age or medical conditions require accommodation adapted for their daily living needs.

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.

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.

PRINCIPAL RISKS AND UNCERTAINTIES

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 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.

Directors' statement of compliance with duty to promote the success of the Group

The Directors are aware of their responsibilities to promote the success of the Group in accordance with s172 of the Companies Act 2006. When making decisions, Directors have regard to the interests of stakeholders as well as the need to act prudently and have regard to the long term consequences of their decisions given the financial facilities available to the Group. The Directors seek to fulfil their responsibilities by maintaining their reputation for high standards of business conduct and for meeting their financial obligations when they fall due.

Energy Performance

The Group energy consumption is less than 40,000 kWh and for this reason energy disclosure details are not provided.

ON BEHALF OF THE BOARD:

.....
R A Shane - Director

Date: 22nd September 2022

The directors present their report with the financial statements of the company and the group for the year ended 31st December 2021.

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was that of the principal activity of Secured Property Development Plc which is investment in commercial and residential property. The group comprises the holding company, a finance company and a second property company.

REVIEW OF BUSINESS

The results for the year are set out on page 12 of these consolidated financial statements.

The Group's investment properties have 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.

DIRECTORS

The directors shown below have held office during the whole of the period from 1st January 2021 to the date of this report.

Director	Company	Class	Interest at 31 December 2021 Number	Interest at 31 December 2020 Number
R France	SPD plc*	Ordinary shares	88,888	88,888
R Shane	SPD plc*	Ordinary shares	565,252	565,252
		Deferred shares	154,666	154,666

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

According to the register of director's interest, 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 2021:

Director	Company
R France	4.51%
G Green	4.57%
R Shane	29.15%

PROPOSED DIVIDEND AND TRANSFER TO RESERVES

The directors do not recommend the payment of a dividend (2020: £nil).

The loss for the year retained in the group is £41,380 (2020: £43,011).

EVENTS SINCE THE END OF THE YEAR

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.

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). 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 have been 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 AUDITORS

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 auditors are 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 auditors are aware of that information.

AUDITORS

Under section 487(2) of the Companies Act 2006, Lubbock Fine will be deemed to have been reappointed as auditors 28 days after these financial statements were 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:

.....
R A Shane - Director

Date: 22nd September 2022

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 2021, which comprise the Consolidated Income Statement, the Consolidated and Company Balance Sheets, the Consolidated and Company Statement of Changes in Equity, the Consolidated Cash Flow Statement 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 2021 and of the Group's 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.

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

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the director's assessment of the entity's ability to continue to adopt the going concern basis of accounting included verification of post year end cash balances to ensure that the company has sufficient cash to sustain it for at least the next 12 months at the current run rate of expenses. We also reviewed the level of post year end administrative expenses to ensure these have remained at a consistent rate as per our expectation. We have also confirmed with the directors that there is no intention to wind up the parent company in the next 12 months.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the entity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Our approach to the 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-evaluated 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.

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 or that the balance does not exist.</p>	<p>Our procedures in relation to the verification of the bank balance included:</p> <ul style="list-style-type: none"> - Agreeing the balance to the bank statements at the balance sheet date. - Confirming the balance to bank confirmation letter. - Confirming that there were no changes in active bank accounts from the previous year. - Review of accounting records to identify any possible omitted bank accounts

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 £19,300. 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 £12,500.

Other Information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the 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. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 6, 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 consolidated financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and noncompliance with laws and regulations, we considered the following:

- Enquires of management, including obtaining and reviewing supporting documentation, concerning the company's policies and procedures relating to:
 - o Identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance
 - o detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - o the internal controls established to mitigate risks related to fraud or non-compliance of laws and regulations; and
- Discussions among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

We also obtained an understanding of the legal and regulatory framework that the company operates in, focusing on provisions of those laws and regulations that had direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, Aquis Stock Exchange Growth Market rules and FRS 102.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty. These included health and safety regulations and environmental regulations.

As a result of these procedures, we considered the particular areas that were susceptible to misstatement due to fraud were in respect of Cash at bank, revenue recognition and management override.

Our procedures to respond to risks identified included the following:

- reviewed accounting records and bank statements to ensure revenue is materially complete;
- reviewed bank transactions considered large or unusual, given our knowledge of the group's activities;
- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the consolidated financial statements;
- enquiring of management concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the rationale of any significant transactions that are unusual or outside the normal course of the group's operations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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. 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.

Matthew Green (Senior Statutory Auditor)

for and on behalf of

Lubbock Fine LLP

Chartered Accountants & Statutory Auditors

3rd Floor Paternoster House

65 St Paul's Churchyard

London

EC4M 8AB

Date: 22nd September 2022

Secured Property Developments Plc

Consolidated Income Statement
for the Year Ended 31st December 2021

	Notes	2021 £	2020 £
TURNOVER		-	-
Administrative expenses		<u>(41,423)</u>	<u>(43,413)</u>
OPERATING LOSS	4	(41,423)	(43,413)
Interest receivable and similar income		<u>43</u>	<u>402</u>
LOSS BEFORE TAXATION		(41,380)	(43,011)
Tax on loss	5	<u>-</u>	<u>-</u>
LOSS FOR THE FINANCIAL YEAR		<u>(41,380)</u>	<u>(43,011)</u>
Loss attributable to: Owners of the parent		<u>(41,380)</u>	<u>(43,011)</u>
Earnings per share expressed in pence per share:	7		
Basic		(2.10)	(2.18)
Diluted		<u>(2.10)</u>	<u>(2.18)</u>

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
for the Year Ended 31st December 2021

	Notes	2021 £	2020 £
CURRENT ASSETS			
Debtors	9	5,813	5,370
Cash at bank	10	<u>430,120</u>	<u>471,499</u>
		435,933	476,869
CREDITORS			
Amounts falling due within one year	11	<u>(50,210)</u>	<u>(49,766)</u>
NET CURRENT ASSETS		<u>385,723</u>	<u>427,103</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>385,723</u>	<u>427,103</u>
CAPITAL AND RESERVES			
Called up share capital	12	418,861	418,861
Share premium		3,473	3,473
Retained earnings		<u>(36,611)</u>	<u>4,769</u>
SHAREHOLDERS' FUNDS		<u>385,723</u>	<u>427,103</u>

The financial statements were approved by the Board of Directors and authorised for issue on 22nd September 2022 and were signed on its behalf by:

.....
R E France - Director

.....
R A Shane - Director

The notes form part of these financial statements

Company Balance Sheet
for the Year Ended 31st December 2021

	Notes	2021 £	2020 £
FIXED ASSETS			
Investments	8	4	4
CURRENT ASSETS			
Debtors	9	5,755	5,312
Cash at bank	10	<u>416,143</u>	<u>457,372</u>
		421,898	462,684
CREDITORS			
Amounts falling due within one year	11	<u>(288,508)</u>	<u>(288,064)</u>
NET CURRENT ASSETS		<u>133,390</u>	<u>174,620</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>133,394</u>	<u>174,624</u>
CAPITAL AND RESERVES			
Called up share capital	12	418,861	418,861
Share premium		3,473	3,473
Retained earnings		<u>(288,940)</u>	<u>(247,710)</u>
SHAREHOLDERS' FUNDS		<u>133,394</u>	<u>174,624</u>

The financial statements were approved by the Board of Directors and authorised for issue on 22nd September 2022 and were signed on its behalf by:

.....
R E France - Director

.....
R A Shane - Director

The notes form part of these financial statements

Consolidated Statement of Changes in Equity
for the Year Ended 31st December 2021

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1st January 2020	418,861	47,780	3,473	470,114
Changes in equity				
Total comprehensive income	<u>-</u>	<u>(43,011)</u>	<u>-</u>	<u>(43,011)</u>
Balance at 31st December 2020	<u>418,861</u>	<u>4,769</u>	<u>3,473</u>	<u>427,103</u>
Changes in equity				
Total comprehensive income	<u>-</u>	<u>(41,380)</u>	<u>-</u>	<u>(41,380)</u>
Balance at 31st December 2021	<u><u>418,861</u></u>	<u><u>(36,611)</u></u>	<u><u>3,473</u></u>	<u><u>385,723</u></u>

The notes form part of these financial statements

Company Statement of Changes in Equity
for the Year Ended 31st December 2021

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1st January 2020	418,861	(204,699)	3,473	217,635
Changes in equity				
Total comprehensive income	<u>-</u>	<u>(43,011)</u>	<u>-</u>	<u>(43,011)</u>
Balance at 31st December 2020	<u>418,861</u>	<u>(247,710)</u>	<u>3,473</u>	<u>174,624</u>
Changes in equity				
Total comprehensive income	<u>-</u>	<u>(41,230)</u>	<u>-</u>	<u>(41,230)</u>
Balance at 31st December 2021	<u><u>418,861</u></u>	<u><u>(288,940)</u></u>	<u><u>3,473</u></u>	<u><u>133,394</u></u>

The notes form part of these financial statements

Secured Property Developments Plc

Consolidated Cash Flow Statement
for the Year Ended 31st December 2021

	2021 £	2020 £
Cash flows from operating activities		
Loss for the financial year	(41,380)	(43,011)
Interest received	(43)	(402)
Increase in debtors	(443)	(300)
Increase in creditors	444	651
	<hr/>	<hr/>
Net cash from operating activities	(41,422)	(43,062)
Cash flows from investing activities		
Interest received	43	402
	<hr/>	<hr/>
Net cash from investing activities	(41,379)	42,660
Decrease in cash and cash equivalents	(41,379)	(42,660)
Cash and cash equivalents at beginning of year	471,499	514,159
	<hr/>	<hr/>
Cash and cash equivalents at end of year	430,120	471,499
	<hr/>	<hr/>

The notes form part of these financial statements

1. **STATUTORY INFORMATION**

Secured Property Developments plc (the "Company") is a public company limited by shares, registered in England and Wales. The Company's registered number and registered office address can be found in the company information on 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 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.

2. **ACCOUNTING POLICIES**

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.

Turnover

Turnover, where receivable, 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 2021. 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.

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.

2. **ACCOUNTING POLICIES - continued**

Current and deferred taxation

Tax on 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 period 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 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.

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.

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.

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.

3. **EMPLOYEES AND DIRECTORS**

The average number of staff during the year was two (2020: two) and there were no staff costs for the year ended 31 December 2021 or for the year ended 31 December 2020.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31st December 2021

4. **OPERATING LOSS**

The operating loss is stated after charging:

	2021 £	2020 £
Auditors' remuneration	<u>6,500</u>	<u>6,500</u>

The auditors' remuneration figure includes the audit fees for the parent and the consolidated accounts.

Details of the fees charged by the Chairman and other Directors are shown in note 13 to these financial statements

5. **TAXATION**

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

	31.12.21 £	31.12.20 £
Current tax:		
UK corporation tax	-	-
Tax on profit on ordinary activities	-	-
Reconciliation of effective tax rate		
(Loss) for the year	(41,380)	(43,011)
Total tax expense	-	-
(Loss) for the year excluding taxation	(41,380)	(43,011)
Tax using the UK corporation tax rate of 19% (2020: 19%)	(7,862)	(8,172)
Non-deductible expenses	-	-
Current year losses	7,862	8,172
Total tax expense included in the profit or loss	-	-

Factors that may affect future, current and total tax charges

A deferred tax asset of £92,284 (2020: £83,345) in respect of losses carried forward at the year-end has not been recognised due to uncertainty surrounding the Group's future taxable profits.

The UK main corporation tax rate will be increased to 25% applying to profits over £250,000 (effective from 1 April 2023) following the Chancellor's budget on 3 March 2021. A small profits rate will also be introduced for Companies with profits of £50,000 or less so that they continue to pay corporation tax at a rate of 19%. Companies with profits between £50,000 and £250,000 will pay tax at the main rate reduced by a marginal relief providing a gradual increase in the effective corporation tax rate.

6. **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 year was £41,230 (2020: £43,011 loss).

7. **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.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31st December 2021

7. EARNINGS PER SHARE - continued

Reconciliations are set out below.

	Earnings	2021 Weighted average number of shares	Per-share amount pence
Basic EPS			
Earnings attributable to ordinary shareholders	(41,380)	1,970,688	(2.10)
Effect of dilutive securities	-	-	-
	<u>(41,380)</u>	<u>1,970,688</u>	<u>(2.10)</u>
Diluted EPS			
Adjusted earnings	<u>(41,380)</u>	<u>1,970,688</u>	<u>(2.10)</u>
		2020 Weighted average number of shares	Per-share amount pence
Basic EPS			
Earnings attributable to ordinary shareholders	(43,011)	1,970,688	(2.18)
Effect of dilutive securities	-	-	-
	<u>(43,011)</u>	<u>1,970,688</u>	<u>(2.18)</u>
Diluted EPS			
Adjusted earnings	<u>(43,011)</u>	<u>1,970,688</u>	<u>(2.18)</u>

8. FIXED ASSET INVESTMENTS

	Company	
	2021 £	2020 £
Shares in group undertakings	<u>4</u>	<u>4</u>
	<u>4</u>	<u>4</u>

The following relates to ordinary shares held in subsidiary companies, Secured Property Developments (Scarborough) Limited and SPD Discount Limited, the subsidiaries registered address is Unit 6, 42 Orchard Road, London, N6 5TR. The companies are registered in England and Wales and are 100% owned by the holding company throughout the period.

Company

	Shares in group undertakings £
COST	
At 1st January 2021 and 31st December 2021	<u>4</u>
NET BOOK VALUE	
At 31st December 2021	<u>4</u>
At 31st December 2020	<u>4</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31st December 2021

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2021 £	2020 £	2021 £	2020 £
Other debtors	509	555	509	555
Prepayments and accrued income	<u>5,304</u>	<u>4,815</u>	<u>5,246</u>	<u>4,757</u>
	<u>5,813</u>	<u>5,370</u>	<u>5,755</u>	<u>5,312</u>

10. CASH AT BANK

	Group		Company	
	2021 £	2020 £	2021 £	2020 £
Cash at bank	<u>430,120</u>	<u>471,499</u>	<u>416,143</u>	<u>457,372</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2021 £	2020 £	2021 £	2020 £
Trade creditors	4,063	3,319	4,063	3,319
Amounts owed to group undertakings	-	-	241,178	241,178
Tax	1,932	1,932	1,932	1,932
Other creditors	27,424	27,424	24,544	24,544
Accruals and deferred income	<u>16,791</u>	<u>17,091</u>	<u>16,791</u>	<u>17,091</u>
	<u>50,210</u>	<u>49,766</u>	<u>288,508</u>	<u>288,064</u>

12. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	2021	2020
Number:	Class:		£	£
1,970,688	Ordinary	£0.20 p	394,138	394,138
1,236,154	Deferred	£0.02 p	<u>24,723</u>	<u>24,723</u>
			<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.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31st December 2021

13. **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 2021 are as follows:

Transactions with key management personnel

Key management personnel include those persons having authority and responsibility for planning directing and controlling the activities of the entity directly or indirectly, including directors. There were no transactions with key management personnel in the current or prior years.

Transactions with other related parties

During the year the group had the following transaction with other related parties:

St James's Property Services Limited of which R Shane is a director and shareholder received £nil (2020: £nil) from the holding company in respect of management services. The amount outstanding at the year-end is £411 (2020: £411). St James's Property Services Limited also received £9,000 (2020: £9,007) from the holding company in respect of rent and other expense.

Guildhall Brokers and Consultants Limited of which R Shane is a director and shareholder received £2,800 (2020: £2,204) for insurance premiums. The balance outstanding was £nil (2020: £nil).

Shane Computer Consulting Limited of which R Shane's son is a director and shareholder received £6,000 (2020: £6,000) from the holding company in respect of computer services. The balance outstanding was £nil (2020: £nil).

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.

14. **FINANCIAL INSTRUMENTS**

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Financial Assets				
Financial assets that are debt instruments				
Cash at bank	430,120	471,499	416,143	457,372
Measure at amortised costs	<u>509</u>	<u>555</u>	<u>509</u>	<u>555</u>
Financial Liabilities				
Financial liabilities measured at amortised costs	<u>48,536</u>	<u>47,892</u>	<u>286,576</u>	<u>286,132</u>

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.

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. **POST BALANCE SHEET EVENTS**

There have been no significant events since the year end.

16. **ULTIMATE CONTROLLING PARTY**

The directors consider that there is no single controlling party.

Form of proxy for use at the Annual General Meeting on 14th October 2022

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 Friday 14th October 2022 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 2021		
2 To re-elect R. France 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 2023, or on 14th October 2023 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 _____ 2022 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.

Second fold along this line

Affix
stamp
here

Secured Property Developments plc.
Unit 6 Orchard Mews
42 Orchard Road
London
N6 5TR

First fold along
this line

Finally fold along this line and tuck in