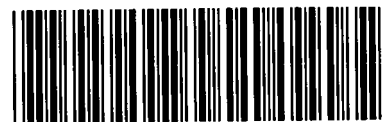


**RUBTRADE LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

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# RUBTRADE LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Mr R J Livingstone Mr M A Glyn
<b>Company number</b>	03760578
<b>Registered office</b>	Quadrant House, Floor 6 4 Thomas More Square London E1W 1YW
<b>Independent Auditors</b>	PricewaterhouseCoopers LLP 1 Embankment Place London WC2N 6RH

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# **RUBTRADE LIMITED**

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# RUBTRADE LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2021

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The directors present the strategic report for the year ended 31 December 2021.

#### Principal activities, fair review of the business and future developments

The company acts as a commercial property investment company. The company made a profit of £1.8m for the financial year ended 31 December 2021 (2020: loss of £4.1m) and had net assets of £43.7m at the year end (2020: £40.7m).

The directors consider the financial position and future prospects at 31 December 2021 to be satisfactory. The directors expect Covid-19 to have a diminishing impact on the company's trading activities and future profitability.

#### Principal risks and uncertainties

The key business risks and uncertainties affecting the company are considered to relate to the fact that the company operates within a highly competitive market place. The directors of the company have reviewed the company's exposure to credit risk, liquidity risk and cashflow risk. These risks and uncertainties are discussed in the company's ultimate parent's group annual report which does not form part of this report.

#### Financial risk management

The company's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. Further discussion of the financial risk management objectives and policies, in the context of the group as a whole, are discussed in the company's ultimate parent's group annual report which does not form part of this report.

#### Key performance indicators

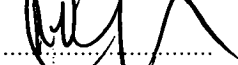
Rubtrade Limited is managed by the directors in accordance with the strategies of its ultimate parent company, London and Regional Group Properties Ltd. For this reason, the directors believe that key performance indicators for the company are not necessary or appropriate for an understanding of the development, performance or position of the business. These strategies and key performance indicators are discussed in the company's ultimate parent's group annual report which does not form part of this report.

#### Going concern

During the prior year, the company was in default of one of the loan covenants in respect of the loan secured in February 2020. The directors obtained a waiver from the lender in respect of these breaches until 14th October 2021. During the year and until the date that the waiver ceased this covenant was not breached and has not been breached at the date of signing the financial statements. Management does not expect the covenants to be breached in the foreseeable future.

The directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the intermediate parent company, London and Regional Group Property Holdings Ltd. The directors have received confirmation that London and Regional Group Property Holdings Ltd intends to support the company for at least twelve months from the date of approving the financial statements.

On behalf of the board



Mr M A Glyn

Director

30 June 2022

# RUBTRADE LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2021

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The directors present their report and audited financial statements for the year ended 31 December 2021.

#### Directors

The directors who held office during the year and/or up to the date of signature of the financial statements were as follows:

Mr M A Glyn	(Appointed 31/12/2021)
Mr R J Livingstone	
Mr L Sebastian	(Resigned 31/12/2021)

#### Results and dividends

The results for the year are set out on page 7.

No ordinary dividends were paid during the year (2020: £nil). The directors do not recommend the payment of a final dividend (2020: £nil).

The business review, future developments, financial risk management and going concern are included in the strategic report

#### Qualifying third party indemnity provisions

The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the date of approval of these financial statements.

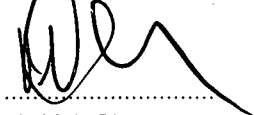
#### Independent Auditors

The auditors, PricewaterhouseCoopers LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

#### Directors' confirmations

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have individually taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



Mr M A Glyn

Director

30 June 2022

# RUBTRADE LIMITED

## DIRECTORS' RESPONSIBILITIES STATEMENT

**FOR THE YEAR ENDED 31 DECEMBER 2021**

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The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

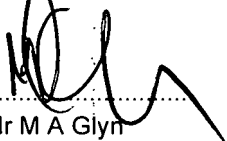
Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also 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.

On behalf of the board



Mr M A Glyn

Director

30 June 2022

# **RUBTRADE LIMITED**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF RUBTRADE LIMITED**

---

#### **Report on the audit of the financial statements**

##### **Opinion**

In our opinion, Rubtrade Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 December 2021; the Statement of Total Comprehensive Income and the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

##### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### **Independence**

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

##### **Conclusions relating to going concern**

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 company'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.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

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

##### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, 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 audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information.

# **RUBTRADE LIMITED**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF RUBTRADE LIMITED (CONTINUED)**

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#### **Reporting on other information (continued)**

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 based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

#### **Strategic report and Directors' Report**

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 December 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

#### **Responsibilities for the financial statements and the audit**

##### **Responsibilities of the directors for the financial statements**

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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 company or to cease operations, or have no realistic alternative but to do so.

##### **Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the 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 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.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to non-compliance with UK corporation tax regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the risk that management may record inappropriate journal entries and the risk of bias in accounting estimates and judgements.



# RUBTRADE LIMITED

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF RUBTRADE LIMITED (CONTINUED)

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#### Auditors' responsibilities for the audit of the financial statements (continued)

Audit procedures performed by the engagement team included:

- Enquiring of management and those charged with governance, and inspection of policy documentation as to the company's high-level policies and procedures to prevent and detect fraud as well as enquiries around actual and potential litigation and claims;
- Enquiring of those charged with governance as to whether management have knowledge of any actual, suspected or alleged fraud;
- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation; and
- Assessing the reasonableness of key accounting estimates (because of the risk of management bias), including challenging assumptions and judgements made by management in their significant accounting estimates.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

#### Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

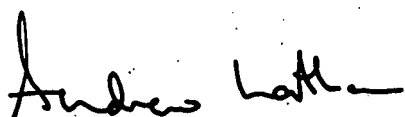
#### Other required reporting

##### Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Andrew Latham (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Watford

20 June 2022

# RUBTRADE LIMITED

## STATEMENT OF TOTAL COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 £'000	2020 £'000
Turnover	3	1,405	3,069
Cost of sales		(330)	(355)
<b>Gross profit</b>		<b>1,075</b>	<b>2,714</b>
Administrative expenses		(110)	(132)
Other operating income		155	-
Fair value gains/(losses) on investment properties	9	4,300	(8,000)
<b>Operating profit/(loss)</b>	4	<b>5,420</b>	<b>(5,418)</b>
Interest receivable and similar income	6	-	35
Interest payable and similar expenses	7	(791)	(716)
<b>Profit/(loss) before taxation</b>		<b>4,629</b>	<b>(6,099)</b>
Tax on profit/(loss)	8	(2,874)	1,995
<b>Profit/(loss) for the financial year</b>		<b>1,755</b>	<b>(4,104)</b>
<b>Other comprehensive income/(expense)</b>			
Cash flow hedges gain/(loss) arising in the year		1,386	(906)
Tax relating to other comprehensive income/(expense)		(120)	172
<b>Total comprehensive income/(expense) for the year</b>		<b>3,021</b>	<b>(4,838)</b>

The statement of total comprehensive income has been prepared on the basis that all operations are continuing operations.

# RUBTRADE LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2021

		2021		2020
	Note	£'000	£'000	£'000
<b>Fixed assets</b>				
Investment properties	9		54,200	49,900
<b>Current assets</b>				
Debtors	10	36,393		36,559
Cash at bank and in hand		483		204
		36,876		36,763
<b>Creditors: amounts falling due within one year</b>	11	(6,233)		(5,318)
<b>Net current assets</b>			30,643	31,445
<b>Total assets less current liabilities</b>			84,843	81,345
<b>Creditors: amounts falling due after more than one year</b>	12		(32,860)	(35,324)
<b>Provisions for liabilities</b>	14		(8,296)	(5,355)
<b>Net assets</b>			43,687	40,666
<b>Capital and reserves</b>				
Called up share capital	16		-	-
Hedging reserve			532	(734)
Retained earnings			43,155	41,400
<b>Total equity</b>			43,687	40,666

The financial statements on pages 7 to 21 were approved by the board of directors and authorised for issue on 30 June 2022 and are signed on its behalf by:

  
Mr M A Glyn  
Director

Company Registration No. 03760578

# RUBTRADE LIMITED

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2021

	Called up share capital £'000	Hedging reserve £'000	Retained earnings £'000	Total £'000
<b>Balance at 1 January 2020</b>	-	-	45,504	45,504
Loss for the financial year	-	-	(4,104)	(4,104)
<i>Other comprehensive expense:</i>				
Cash flow hedges loss arising in year	-	(906)	-	(906)
Tax relating to other comprehensive expense	-	172	-	172
<b>Total comprehensive expense for the financial year</b>	-	(734)	(4,104)	(4,838)
<b>Balance at 31 December 2020</b>	-	(734)	41,400	40,666
Profit for the financial year	-	-	1,755	1,755
<i>Other comprehensive income:</i>				
Cash flow hedges gain arising in the year	-	1,386	-	1,386
Tax relating to other comprehensive income	-	(120)	-	(120)
<b>Total comprehensive income for the financial year</b>	-	1,266	1,755	3,021
<b>Balance at 31 December 2021</b>	-	532	43,155	43,687

Included within retained earnings is an amount of £33,018k (2020: £22,800k) relating to gains from investment property revaluation and associated deferred tax which is non-distributable.

# RUBTRADE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 1 Accounting policies

##### General information

Rubtrade Limited is a private company limited by shares incorporated in the United Kingdom and registered in England. The registered office is Quadrant House, Floor 6, 4 Thomas More Square, London, E1W 1YW.

The principal activity of Rubtrade Limited is the investment in commercial property.

##### 1.1 Statement of compliance

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

##### 1.2 Basis of preparation and summary of significant accounting policies

The financial statements have been prepared on a going concern basis and under the historical cost convention, modified to include the revaluation of freehold properties at fair value. The principal accounting policies adopted are set out below.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £'000 except where stated.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

##### 1.3 Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to conditions.

As a qualifying entity, the company has taken advantage of the following exemptions:

- from the requirement to prepare a statement of cash flows as required by paragraph 3.17 (d) of FRS 102;
- from the requirement to present financial instruments disclosures, as required by FRS 102 paragraphs 11.39 to 11.48A, paragraph 12.26 and 12.29; and
- from the requirement to disclose related party transactions, as required by paragraph 33.1A of FRS 102.

##### 1.4 Going concern

During the prior year, the company was in default of one of the loan covenants in respect of the loan secured in February 2020. The directors obtained a waiver from the lender in respect of these breaches until 14th October 2021. During the year and until the date that the waiver ceased this covenant was not breached and has not been breached until the date of signing the financial statements. Management does not expect the covenants to be breached in the foreseeable future.

The directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of London and Regional Group Property Holdings Ltd. The directors have received confirmation that London and Regional Group Property Holdings Ltd intends to support the company for at least twelve months after these financial statements are approved.

# RUBTRADE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 1 Accounting policies

##### 1.5 Turnover

Turnover represents rental income and recoverable property expenses, net of value added tax. Rental income is recognised over the term of the lease on a straight-line basis. The total turnover of the company for the year has been derived from its principal activity, wholly undertaken in the UK.

##### Deferred income

Income from properties is allocated in the year to which it relates, with payments received in advance held as deferred income and credited to the profit and loss when earned.

##### 1.6 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at total fair value at the reporting end date. The surplus or deficit on revaluation is recognised in the statement of comprehensive income.

Where fair value cannot be determined without undue cost or effort, investment property is accounted for as tangible assets.

##### 1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

# RUBTRADE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 1 Accounting policies

##### ***Impairment of financial assets***

Financial assets, other than those held at fair value through profit or loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

##### ***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### ***Classification of financial liabilities***

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

##### ***Basic financial liabilities***

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

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### ***Other financial liabilities***

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

##### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

# RUBTRADE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

---

#### 1 Accounting policies

##### 1.8 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

##### 1.9 Hedge accounting

The company applies hedge accounting for transactions entered into to manage the cash flow exposures of borrowings. Interest rate swaps are held to manage the interest rate exposures and are designated as cash flow hedges of floating rate borrowings.

At the inception of the hedge relationship, the company documents the relationship between the hedging instrument and the hedged item along with risk management objectives and strategy for undertaking various hedge transactions. At the inception of the hedge and on an ongoing basis, the company documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item.

###### Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income.

The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in the 'other gains and losses' line.

The gain or loss recognised in other comprehensive income is reclassified to profit or loss when the hedge relationship ends. Hedge accounting is discontinued when the hedging instrument expires, no longer meets the hedging criteria, the forecast transaction is no longer highly probable, the hedged debt instrument is derecognised or the hedging instrument is terminated.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

##### 1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

##### 1.11 Taxation

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

###### Current tax

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



# RUBTRADE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 1 Accounting policies

##### ***Deferred tax***

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited to the statement of total comprehensive income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### 2 Critical accounting judgements and estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

##### **a) Critical judgements in applying the entity's accounting policies**

The directors have not applied any judgements in applying the company's accounting policies.

##### **b) Critical accounting estimates and assumptions**

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

##### ***Valuation of investment properties***

Investment properties are professionally valued annually using a yield methodology. This uses market rental values capitalised at a market capitalisation rate but there is an inevitable degree of judgement involved in that each property is unique and value can only ultimately be reliably tested in the market itself. See note 9 for the carrying values of the assets and note 1.6 for the accounting policy.

##### ***Recoverability of amounts due from fellow group undertakings***

The company makes an estimate of the recoverable value of its debtors and amounts due from fellow group undertakings. When carrying out the assessment management considers factors including the aging profile of the debtors, historic experience and performance of debtors business. See note 10 for the carrying values of the assets and note 1.7 for the accounting policy.

# RUBTRADE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 3 Turnover

An analysis of the company's turnover is as follows:

	Year ended 31 December 2021 £'000	Year ended 31 December 2020 £'000
<b>Net rental income</b>		
Rental income	1,075	2,714
Recoverable property expenses	330	355
Turnover	1,405	3,069
Recoverable property expenses	(330)	(355)
Property outgoings	(330)	(355)
Net rental income	1,075	2,714

#### 4 Operating profit/(loss)

	Year ended 31 December 2021 £'000	Year ended 31 December 2020 £'000
Operating profit/(loss) for the year is stated after charging:		
Fees payable to the company's auditors for the audit of the company's financial statements	-	-

Auditors' remuneration of £6k (2020: £5k) has been borne by fellow group undertaking, London and Regional Properties Limited and this has not been recharged to the company.

#### 5 Directors' remuneration

The directors did not receive any emoluments in respect of their services to the company (2020: £nil). The company has no employees (2020: none) other than the directors.

The above details of directors' emoluments do not include the emoluments which are paid by a fellow subsidiary and recharged to the company as part of a management charge. This management charge, which in 2021 amounted to £34k (2020: £81k), also includes a recharge of administration costs borne by the fellow subsidiary on behalf of the company and it is not possible to identify separately the amount of the directors' emoluments.

Mr R J Livingstone is a director of the ultimate parent company and a number of fellow subsidiary companies, whilst Mr Sebastian is a director of a number of fellow subsidiary companies. The total emoluments of Mr R J Livingstone are included in the aggregate of directors' emoluments included in the financial statements of the ultimate parent company. Total emoluments of Mr Sebastian are included in the aggregate of directors' emoluments included in the financial statements of the intermediate parent company.

# RUBTRADE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 6 Interest receivable and similar income

Year ended 31 December 2021 £'000	Year ended 31 December 2020 £'000
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Interest on bank deposits

- 35

#### 7 Interest payable and similar expenses

Year ended 31 December 2021 £'000	Year ended 31 December 2020 £'000
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Interest on bank overdrafts and loans

744 674

Amortisation of loan fees

47 42

791 716

#### 8 Tax on profit / (loss)

Year ended 31 December 2021 £'000	Year ended 31 December 2020 £'000
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##### Current tax

UK corporation tax on profit/(loss) for the current year

53 -

Adjustments in respect of prior years

- (475)

##### Deferred tax

Origination and reversal of timing differences

817 (1,520)

Changes in tax rates

2,004 -

Total deferred tax

2,821 (1,520)

Total tax charge/(credit)

2,874 (1,995)

Tax assessed for the year is higher than (2020: lower than) the standard rate of corporation tax in the UK for the year ended 31 December 2021 of 19% (2020: 19%).

# RUBTRADE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 8 Tax on profit / (loss)

The tax charge/(credit) for the year can be reconciled to the profit(loss) per the statement of total comprehensive income as follows:

	Year ended 31 December 2021 £'000	Year ended 31 December 2020 £'000
Profit/(loss) before taxation	4,629	(6,099)
Profit/(loss) before taxation multiplied by the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	880	(1,159)
Tax effect of expenses that are not deductible in determining taxable profit	(817)	1,520
Origination and reversal of timing differences	817	(1,520)
Change in tax rates	2,004	-
Adjustments in respect of prior years	-	(475)
Group relief received	(10)	(361)
Tax charge/(credit) for the year	2,874	(1,995)

In addition to the amount charged/(credited) to the statement of comprehensive income, the following amounts relating to tax have been recognised directly in other comprehensive income:

	2021 £'000	2020 £'000
Deferred tax arising on:		
Revaluation of financial instruments treated as cash flow hedges	120	(172)

#### Factors which may affect future tax charges

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

#### 9 Investment properties

	£'000
Fair value	
At 1 January 2021	49,900
Net gains through fair value adjustments	4,300
At 31 December 2021	54,200

The investment property was valued by the directors after taking advice from a professional valuer on an open market value basis at 31 December 2021. The valuation has been made in accordance with the Appraisal and Valuation Manual of the Royal Institution of Chartered Surveyors in the United Kingdom.

# RUBTRADE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 10 Debtors

	2021 £'000	2020 £'000
Trade debtors	336	1,139
Amounts owed by fellow group undertakings	35,216	35,216
Other debtors	269	122
Prepayments and accrued income	92	82
	<u>35,913</u>	<u>36,559</u>
Derivative financial instruments	<u>480</u>	<u>-</u>
<b>Total debtors</b>	<u>36,393</u>	<u>36,559</u>

Amounts due from fellow group undertakings are interest free, unsecured, and repayable on demand.

#### Derivative financial instruments

The company borrows at floating rates of interest and then employs derivative financial instruments in the form of an interest rate swap to receive interest at 3 months GDP SONIA and pay fixed interest of 0.07% per annum. The swap is based on the principal amounts of the company's outstanding bank loans and matures on 12 February 2025.

The instrument is used to hedge the company's exposure to interest rate movements on the outstanding bank loans. The fair value of the interest rate swap as at year end was an asset of £480k (2020: liability of £906k). The company has elected to apply hedge accounting. The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income.

Cash flows on both the loans and the interest rate swaps are paid quarterly until maturity of the swaps and loans.

# RUBTRADE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 11 Creditors: amounts falling due within one year

	Note	2021 £'000	2020 £'000
Bank loans and overdrafts	13	709	709
Trade creditors		132	34
Amounts owed to fellow group undertakings		3,222	2,956
Corporation tax		53	-
Other taxation and social security		146	545
Deferred income		1,194	-
Accruals and deferred income		777	1,074
		<u>6,233</u>	<u>5,318</u>

Amounts owed to fellow group undertakings are interest free, unsecured, and repayable on demand.

Bank loans and overdrafts are stated net of finance charges of £47k (2020: £47k) to be allocated to future periods.

#### 12 Creditors: amounts falling due after more than one year

	Note	2021 £'000	2020 £'000
Bank loans and overdrafts	13	32,860	34,369
Derivative financial instruments		-	955
		<u>32,860</u>	<u>35,324</u>

Bank loans and overdrafts are stated net of finance charges of £99k (2020: £147k) to be allocated to future periods.

# RUBTRADE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 13 Bank loans and overdrafts

	2021 £'000	2020 £'000
Bank loan	33,569	35,078
Payable within one year	709	709
Payable after one year	32,860	34,369

The bank loan is secured over the company's freehold property and by fixed and floating charges over the assets of the company. It is repayable in full on 12 February 2025. The facility bears interest at an aggregate rate of SONIA and 1.43% per annum.

### 14 Provisions for liabilities

	Note	2021 £'000	2020 £'000
Deferred tax liabilities (net)	15	8,296	5,355

### 15 Deferred tax

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2021 £'000	Liabilities 2020 £'000
<b>Balances:</b>		
Investment properties	8,348	5,527
Derivative financial instruments	(52)	(172)
	<u>8,296</u>	<u>5,355</u>
<b>Movements in the year:</b>		<b>£'000</b>
Liability at 1 January 2021		5,355
Charge to profit or loss		2,821
Charge to other comprehensive income		120
Liability at 31 December 2021		<u>8,296</u>

# RUBTRADE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 15 Deferred tax

There are no unused tax losses or unused tax credits. The net deferred tax liability expected to reverse in 2021 is £nil.

#### 16 Called up share capital

	2021 £	2020 £
<b>Authorised</b>		
1 (2020: 1) ordinary shares at £1 each	1	1

#### 17 Related party transactions

As the company is a wholly owned subsidiary of London and Regional Group Property Holdings Ltd, the company has taken advantage of the exemption under section 33.1A of FRS102 from disclosing transactions or balances with entities which form part of the group.

#### 18 Ultimate controlling party

The immediate parent undertaking is London and Regional Group Property Holdings Ltd, a company incorporated and registered in England and Wales.

The ultimate parent undertaking is London and Regional Group Properties Ltd, a company incorporated in England and Wales.

London and Regional Group Property Holdings Ltd is the parent undertaking of the smallest group of undertakings to consolidate these financial statements as at 31 December 2021. London and Regional Group Properties Ltd is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 31 December 2021. The consolidated financial statements of London and Regional Group Property Holdings Ltd and London and Regional Group Properties Ltd can be obtained from Quadrant House, Floor 6, 4 Thomas More Square, London E1W 1YW.

The ultimate controlling parties are I M Livingstone and R J Livingstone through their equal joint ownership of London and Regional Group Properties Ltd.