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**REAY SECURITY PROPERTIES LIMITED**

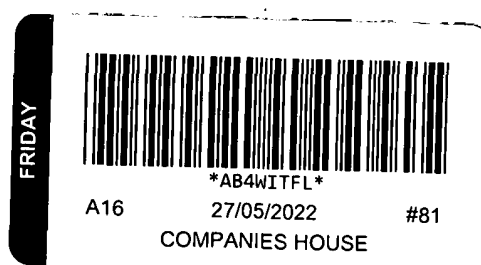
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**UNAUDITED**

**FINANCIAL STATEMENTS**

**INFORMATION FOR FILING WITH THE REGISTRAR**

**FOR THE YEAR ENDED 31 AUGUST 2021**



**REAY SECURITY PROPERTIES LIMITED**  
**REGISTERED NUMBER: 10961973**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2021**

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	4	3,019,412	3,042,573
		<u>3,019,412</u>	<u>3,042,573</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	5	246,116	309,227
Cash at bank and in hand	6	6,923	6,943
		<u>253,039</u>	<u>316,170</u>
Creditors: amounts falling due within one year	7	(864,863)	(1,078,506)
<b>Net current liabilities</b>		<u>(611,824)</u>	<u>(762,336)</u>
<b>Total assets less current liabilities</b>		<u>2,407,588</u>	<u>2,280,237</u>
Creditors: amounts falling due after more than one year	8	(1,260,504)	(1,340,689)
<b>Provisions for liabilities</b>			
Deferred tax		(4,265)	-
		<u>(4,265)</u>	<u>-</u>
<b>Net assets</b>		<u>1,142,819</u>	<u>939,548</u>
<b>Capital and reserves</b>			
Called up share capital		200	200
Share premium account		930,815	930,815
Profit and loss account		211,804	8,533
		<u>1,142,819</u>	<u>939,548</u>

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**REAY SECURITY PROPERTIES LIMITED**  
**REGISTERED NUMBER: 10961973**

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**BALANCE SHEET (CONTINUED)**  
**AS AT 31 AUGUST 2021**

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The director considers that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

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

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on



**S R Reay**  
Director

23/05/2022

The notes on pages 4 to 10 form part of these financial statements.

**REAY SECURITY PROPERTIES LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 AUGUST 2021**

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 September 2020	200	930,815	8,533	939,548
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	203,271	203,271
<b>Other comprehensive income for the year</b>	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	203,271	203,271
<b>Total transactions with owners</b>	-	-	-	-
<b>At 31 August 2021</b>	<b>200</b>	<b>930,815</b>	<b>211,804</b>	<b>1,142,819</b>

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 AUGUST 2020**

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 September 2019	100	-	75,189	75,289
<b>Comprehensive income for the year</b>				
Loss for the year	-	-	(66,656)	(66,656)
<b>Other comprehensive income for the year</b>	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	(66,656)	(66,656)
Shares issued during the year	100	930,815	-	930,915
<b>Total transactions with owners</b>	<b>100</b>	<b>930,815</b>	<b>-</b>	<b>930,915</b>
<b>At 31 August 2020</b>	<b>200</b>	<b>930,815</b>	<b>8,533</b>	<b>939,548</b>

The notes on pages 4 to 10 form part of these financial statements.

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## REAY SECURITY PROPERTIES LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

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#### 1. General information

The Company is a private company limited by share capital incorporated in England and Wales.

The address of the Company's registered office is Arms Everytne House, Quay Road, Dun Cow Quay, Blyth, Northumberland, NE24 2AS.

The principal activity of the Company is the letting and operating of property.

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

The following principal accounting policies have been applied:

##### 2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

###### Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

###### Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

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## REAY SECURITY PROPERTIES LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

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#### 2. Accounting policies (continued)

##### 2.3 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

##### 2.4 Borrowing costs

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction cost, and the amount due on redemption being recognised as a charge to profit or loss over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

##### 2.5 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

##### 2.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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## REAY SECURITY PROPERTIES LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

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#### 2. Accounting policies (continued)

##### 2.6 Tangible fixed assets (continued)

Depreciation is provided on the following basis:

Freehold property	-	20% Straight line
Plant and machinery	-	20% Straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

##### 2.7 Investment property

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in profit or loss.

##### 2.8 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.

##### 2.9 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

##### 2.10 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

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## REAY SECURITY PROPERTIES LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

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## 2. Accounting policies (continued)

### 2.11 Financial liabilities

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

Financial liabilities within the scope of IAS 39 are initially classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

The Group determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs.

Subsequently, the measurement of financial liabilities depends on their classification as follows:

#### Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss includes financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are acquired for the purpose of repurchasing in the near term. Derivatives, including separately embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in profit or loss.

#### Interest bearing loans and borrowings

Obligations for loans and borrowings are recognised when the Group becomes party to the related contracts and are measured initially at the fair value of consideration received less directly attributable transaction costs.

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Gains and losses arising on the repurchase, settlement or otherwise cancellation of liabilities are recognised respectively in finance revenue and finance cost.

#### Derecognition of financial liabilities

A liability is derecognised when the contract that gives rise to it is settled, sold, cancelled or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such as an exchange or modification, this is treated as a derecognition of the original liability, such that the difference in the respective carrying amounts together with any costs or fees incurred are recognised in profit or loss.

## 3. Employees

The Company has no employees other than the Directors, who did not receive any remuneration (2020 - £NIL).



**REAY SECURITY PROPERTIES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

**4. Tangible fixed assets**

	Freehold property £	Plant and machinery £	Total £
<b>Cost or valuation</b>			
At 1 September 2020	2,966,000	115,806	3,081,806
At 31 August 2021	2,966,000	115,806	3,081,806
<b>Depreciation</b>			
At 1 September 2020	-	39,233	39,233
Charge for the year on owned assets	-	23,161	23,161
At 31 August 2021	-	62,394	62,394
<b>Net book value</b>			
At 31 August 2021	2,966,000	53,412	3,019,412
At 31 August 2020	2,966,000	76,573	3,042,573

The net book value of land and buildings may be further analysed as follows:

	2021 £	2020 £
Freehold	2,966,000	2,966,000
	2,966,000	2,966,000

The properties were last valued prior to transfer in to the company, on 2 August 2017. The valuations were undertaken by Knight Frank. In the opinion of the directors there has been no material change in market value since this date.

**5. Debtors**

	2021 £	2020 £
Trade debtors	39,797	23,179
Amounts owed by group undertakings	199,278	-
Other debtors	-	281,827
Prepayments and accrued income	7,041	4,221

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REAY SECURITY PROPERTIES LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021

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5. Debtors (continued)

	<u>246,116</u>	<u>309,227</u>
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6. Cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	6,923	6,943
	<u>6,923</u>	<u>6,943</u>

7. Creditors: Amounts falling due within one year

	2021 £	2020 £
Bank loans	80,185	77,788
Trade creditors	8,301	4,372
Amounts owed to group undertakings	681,638	982,035
Other taxation and social security	69,356	10,390
Other creditors	48	-
Accruals and deferred income	25,335	3,921
	<u>864,863</u>	<u>1,078,506</u>

8. Creditors: Amounts falling due after more than one year

	2021 £	2020 £
Bank loans	1,260,504	1,340,689
	<u>1,260,504</u>	<u>1,340,689</u>

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REAY SECURITY PROPERTIES LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021

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**9. Loans**

Analysis of the maturity of loans is given below:

	2021 £	2020 £
<b>Amounts falling due within one year</b>		
Bank loans	80,185	77,788
	<u>80,185</u>	<u>77,788</u>
<b>Amounts falling due 2-5 years</b>		
Bank loans	1,260,504	1,340,689
	<u>1,260,504</u>	<u>1,340,689</u>
	<u>1,340,689</u>	<u>1,418,477</u>

**10. Financial commitments, guarantees and contingencies**

Amounts not provided for in the balance sheet

The total amount of guarantees not included in the balance sheet is £1,010,420 (2020 - £1,016,920). Company guarantee given in the form of a debenture to secure the bank borrowing of a fellow group company.

**11. Controlling party**

The ultimate parent undertaking, incorporated in the United Kingdom, is Reay Security Holdings Limited.