Safeland

Report & Financial Statements 2021

Company Registration No: 2012015

Company Information

Directors	Larry Lipman - Managing Director Errol Lipman - Executive Director Edward Young - Non-Executive Director
Company secretary	Keith Malkinson
Registered number	02012015
Registered office	1a Kingsley Way London N2 0FW
Independent auditors	Wisteria Audit Ltd The Grange Barn Pikes End Pinner Middlesex HA5 2EX
Bankers	Lloyds Bank plc Ground floor 10 Gresham Street London EC2V 7AE
Solicitors	Trowers & Hamlins LLP 3 Bunhill Row London EC2A 1AG
Registrars	Link Asset Services 34 Beckenham Road Beckenham Kent BR3 4TU

Contents

Group Strategic Report

The Directors present their strategic report on the affairs of the Company and the Group together with the financial statements for the year ended 31 March 2021.

Principal activities
The principal activities of the Group comprise property trading, property refurbishment (including redevelopment), property investment and property management.

Review of business and future prospects
Group revenue for the year to 31 March 2021 increased to £5.2m (*2020: £4.1m*) primarily due to the increase in the value of property sales by £1.3m. Rental income fell due to property voids arising from the impact of Covid-19 on the rental market in which we operate. Trading income at both North Downs Golf Club (NDGC) and the Market Walk Shopping Centre (Market Walk) suffered due to the impact of lockdowns and other restrictions implemented to combat Covid-19. The operating profit of £0.8m (*2020: £1.3m operating loss*) includes the loss on revaluation of investment properties occasioned by the refinancing of the Group's loan and an uplift in the market value of the Group's investment in Safestay PLC reflecting a more realistic share price following the excessive reduction seen in March 2020.

Gearing at 31 March 2021 increased to 40% (*2020: 35%*). The Group refinanced its loan facility with Investec Bank in March 2021 and now has a borrowing facility of £13m secured on property assets, of which £2.2m was undrawn at 31 March 2021 (*2020: £6.9m*). This provides the flexibility for the Group to move quickly when property investment and trading opportunities arise.

During the year, the Group acquired two properties for redevelopment and resale at a cost of £2.5m. The Directors will continue to seek out value adding opportunities and are well placed to act swiftly to benefit from these as and when they arise.

The Group continues to explore both development and exit opportunities for NDGC.

As noted in previous years' reports, the Directors consider the property market to continue to be constrained by an economic outlook which is in turn affected by political conditions at home, in the EU and worldwide and which has created a cautious environment, verging on stagnation, which may continue for some time.

The Directors do not propose the payment of a final dividend of (*2020: £nil per share*). During the year, no interim dividend was paid (*2020:£ nil*).

Covid-19 impact
The outbreak of Covid-19 at the start of 2020 continues to have a negative impact on the business. Activities at NDGC and Market Walk were severely impacted with both businesses suspending activities at various times during the year.

Despite being closed under lockdown rules for long periods, NDGC has been much closer to break even in the year due in no small part to the grants and reliefs available. The club benefited from full rates relief and received Covid support grants of £91,000 during the year. The club has reopened under the government's roadmap out of lockdown and is pursuing opportunities to increase member numbers and generate additional income.

Market Walk continues to be loss making due to both lockdown restrictions and reduced occupancy as tenants have not renewed leases at the end of their term. The conditional sale, subject to the buyer achieving planning permission, reported last year has been rescinded as the long stop date has passed. The directors are exploring other sale and development opportunities for Market Walk and remain of the view that disposal or redevelopment continues to be the best routes to securing a profitable outcome.

The Group's rental income has not seen any long-term or permanent impact from Covid-19 with no rental arrears arising in the year. Void periods have increased somewhat as Covid-19 travel restrictions have reduced the demand for some of our rental properties. At the date of this report, there are no vacancies in any of our residential property portfolio.

The Directors have taken the necessary actions to ensure staff are able to work effectively and safely through a combination of home working where appropriate and socially distanced and Covid secure working in our offices.

Principal risks and uncertainties
The principal risks and uncertainties that could potentially have an impact on the Group's performance are detailed below.

Business risk
The Group operates in the property market, which over the years has always been liable to price fluctuations, dependent upon the state of the UK economy. In the event that there was a drop in the value of property throughout the country, this would obviously affect the properties held by the Group at the time, but would also present an opportunity for buying at distinctly lower levels than exist at present. The Group mitigates the risk of downturns in property values by ensuring diversity within its property portfolio.

The government has announced an increase in the rate of corporation tax to 23% from April 2023 and it is conceivable that the impact of Covid-19 on Government finances may affect other tax rates that exist at present, which would erode the margins that the Group is able to attain on its trades and may adversely impact upon property values.

Over the years, the Group has added value by obtaining change of use of properties. Adverse changes to the planning requirements could affect this methodology.

Financing risk
In order to finance the purchase of properties that the Group trades in, it uses bank loans with variable interest rates that track the Bank of England base rate. Increases in this rate will adversely affect the profit that the Group is able to make.

The determining factor as to how much the Group is able to spend on acquisition at any one time is limited by cash and there may be times when opportunities are not able to be taken advantage of as all available monies have been allocated elsewhere. Strict financial controls are in operation to ensure that monies cannot be expended above the available limits.

Covid-19 risk
The prevalence of Covid-19 may result in operations at NDGC having to change which may result in reduced income from membership subscriptions and other income sources.

The Group's rental income business is seen as being at less risk from Covid-19.

The Directors will continue to monitor the financial performance of the Group and take the necessary actions to mitigate any impact from Covid-19.

Approved by the Board of Directors and signed on behalf of the Board.

Larry Lipman
Managing Director
24 August 2021

Directors' Report

The Directors present their report and the financial statements for the year ended 31 March 2021.

Directors
The directors who have served since 1 April 2020 are as follows:

Larry Lipman
Errol Lipman
Edward Young (Non-Executive)

Larry Lipman retires by rotation and being eligible, offers himself for re-election at the Annual General Meeting.

Results, future developments and dividends
The results of the Group are presented in the Group Strategic Report. Further details are shown in the Consolidated Profit and Loss Account on page 9 and the related notes.

The Directors' strategy and plans for the future development of the Group are presented in the Group Strategic Report.

The Directors do not propose a final dividend for the financial year to 31 March 2021 (*2020: £nil per share*).

Financial instruments
The Group's policy on financial instruments is stated in note 1.20 to these financial statements

Political and charitable donations
The Group made no charitable donations (*2020: £nil*) and no political donations (*2020: £nil*) in the year.

Directors' Responsibilities Statement
The Directors are responsible for preparing the Group Strategic Report and Directors' Report 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 prepared both the consolidated financial statements and the company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the Company and Group for that period. In preparing these financial statements, the Directors are required to:

— select suitable accounting policies and then apply them consistently;
— make judgments and accounting estimates that are reasonable and prudent;
— state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
— prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the

Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure of information to the auditor
The Directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the Company’s auditor is unaware; and
- the Directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company’s auditor is aware of that information.

The Directors are responsible for preparing the annual report in accordance with applicable law and regulations. The Directors consider the annual report and the financial statements, taken as a whole, provides the information necessary to assess the Company’s performance, business model and strategy and is fair, balanced and understandable.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company’s website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Conflicts of interest
Under the articles of association of the Company and in accordance with the provisions of the Companies Act 2006, a director must avoid a situation where he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict with, the Company’s interests. However, the Directors may authorise conflicts and potential conflicts as they deem appropriate. As a safeguard, only directors who have no interest in the matter being considered will be able to take the relevant decision, and the Directors will be able to impose limits or conditions when giving authorisation if they think this is appropriate. During the financial year ended 31 March 2021, the Directors have authorised no such conflicts or potential conflicts in accordance with the above procedures.

Auditor
The auditors, Wisteria Audit Ltd, have indicated their willingness to continue in office and a resolution that they are reappointed will be proposed at the annual general meeting.

Approved by the Board of Directors and signed on behalf of the Board.

Larry Lipman
Managing Director
24 August 2021

Independent Auditor's Report to the members of Safeland plc

Opinion

We have audited the financial statements of Safeland PLC (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 March 2021, which comprise the Consolidated Profit and Loss, the Group and Parent Company Balance Sheet, the Group and Parent Company Statement of Changes in Equity, the Group Statement of Cash Flows 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 financial statements:

- give a true and fair view of the state of the Group and Parent Company's affairs as at 31 March 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the 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. Our evaluation of the directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining a forecast and assessment from the directors that the Group will continue as a going concern for the 12 months from the date of signing these financial statements and challenging management on their considerations of the Covid-19 pandemic in the preparation of the forecasts;
- Performing sensitivity analysis and gaining an understanding how management "break" the model and assessing the likelihood of this scenario; and
- Understanding and challenging the key assumptions and scenarios and agreeing to supporting documentation where possible.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. 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.

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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

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 financial statements; and
- the Group strategic report and 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 Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

Responsibilities of Directors
As explained more fully in the Directors' Responsibilities Statement set out on page 4 , the directors are responsible for the preparation of the 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 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 Group’s 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 Parent 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.

Independent Auditor's Report to the members of Safeland plc

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' Report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' Report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Use of our report

This report is made solely to the Parent Company's members 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 Parent 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 Parent Company and the Parent Company's members for our audit work, for this report, or for the opinions we have formed.

Andrew Millet BA MBA FCA
Senior Statutory Auditor

For and on behalf of Wisteria Audit Ltd Statutory Auditor
The Grange Barn Pikes End
Pinner Middlesex HA5 2EX
24 August 2021

Consolidated profit and loss account

	Note	2021 £000	*2020* *£000*
Turnover		5,248	*4,112*
Cost of sales		(3,282)	*(3,580)*
Gross profit		1,966	*532*
Administrative expenses		(1,121)	*(1,351)*
Loss on revaluation of investment properties	**10**	(307)	-
Other operating income/(expenses)		224	*(534)*
Operating profit/(loss)		762	*(1,353)*
Dividend from investment		5	-
Income from interests in associated undertakings		28	*23*
Total operating profit/(loss)		795	*(1,330)*
Interest receivable and similar income	**4**	-	*4*
Interest payable and similar expenses	**5**	(665)	*(571)*
Profit/(loss) before tax		130	*(1,897)*
Tax credit	**6**	16	*213*
Profit(loss) for the year attributable to the owners of the parent company:		146	*(1,684)*

The notes on pages 13 to 26 form part of these financial statements.

Consolidated balance sheet

Registered number: 02012015

	Note	2021 £000	*2020 as restated* *£000*
Fixed assets			
Tangible assets	**8**	2,789	*2,769*
Other investments	**9**	694	*471*
Investment property	**10**	18,530	*18,837*
		22,013	*22,077*
Current assets			
Inventories	**11**	26	*31*
Trading properties	**12**	3,235	*3,019*
Debtors	**13**	336	*167*
Cash at bank and in hand	**14**	1,934	*2,116*
		5,531	*5,333*
Creditors: amounts falling due within one year	**15**	(3,356)	*(11,274)*
Net current (liabilities)/assets		2,175	*(5,941)*
Total assets less current liabilities		24,188	*16,136*
Creditors: amounts falling due after more than one year	**16**	(7,920)	-
Provisions for liabilities			
Deferred tax	**18**	-	*(14)*
Net assets		16,268	*16,122*
Capital and reserves			
Called up share capital	**19**	677	*677*
Capital redemption reserve		166	*166*
Shared based payment reserve		354	*354*
Profit and loss account		15,071	*14,925*
		16,268	*16,122*

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 24 August 2021

Larry Lipman
Director

The notes on pages 13 to 26 form part of these financial statements.

Consolidated changes in equity for the year ended 31 March 2021

	Called up share capital £000	Capital redemption reserve £000	Share based payment reserve £000	Profit and loss account £000	Total equity £000
At 31 March 2019	739	104	354	18,537	19,734
Correction of prior year error (note 22)	-	-	-	(1,376)	(1,376)
At 1 April 2019	739	104	354	17,161	18,358
Comprehensive income for the year:					
Loss for the year	-	-	-	(1,684)	(1,684)
Total comprehensive income for the year	-	-		(1,684)	(1,684)
Purchase of own shares	(62)	62	-	(552)	(552)
Total transactions with owners	(62)	62	-	(552)	(552)
At 31 March 2020 (note 22)	677	166	354	14,925	16,122
Comprehensive income for the year					
Profit for the year	-	-	-	146	146
Total Comprehensive Income	-	-	-	146	146
At 31 March 2021	677	166	354	15,071	16,268

The notes on pages 13 to 26 form part of these financial statements.

Consolidated statement of cash flows

	2021 £000	*2020 £000*
Cash flows from operating activities		
Profit/(loss) for the financial year	147	*(1,684)*
Adjustments for:		
Depreciation of tangible assets	53	*68*
Interest paid	665	*571*
Interest received	-	*(4)*
Decrease/(increase) in inventories	5	*(16)*
(Increase)/decrease in debtors	(169)	*75*
(Increase)/decrease in trading properties	(216)	*2,204*
Decrease in creditors	(1,331)	*(440)*
Income from investments	(33)	*(23)*
Loss on sale of tangible fixed assets	4	-
Loss on revaluation of investment properties	307	-
(Profit)/loss on revaluation of listed investments	(224)	*578*
Loan fees amortisation	47	*69*
Net cash generated from operating activities	(745)	*1,398*
Cash flows from investing activities		
Purchase of tangible fixed assets	(111)	*(68)*
Sale of tangible fixed assets	34	-
Sale of investment properties	-	*88*
Dividends received	33	-
Net cash from investing activities	(44)	*20*
Cash flows from financing activities		
Purchase of ordinary shares	-	*(552)*
Repayment of loans	(9,574)	*(255)*
Loans advanced	10,845	-
Interest paid	(664)	*(571)*
Interest received	-	*4*
Net cash used in financing activities	607	*(1,374)*
Net increase in cash and cash equivalents	(182)	*44*
Cash and cash equivalents at beginning of year	2,116	*2,072*
Cash and cash equivalents at the end of year	1,934	*2,116*
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	1,934	*2,116*

The notes on pages 13 to 26 form part of these financial statements.

Notes to the consolidated financial statements

1 Accounting policies

1.1 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 Group's accounting policies (see note 2).

The following principal accounting policies have been applied:

1.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries (the Group) as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Consolidated Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Profit and Loss Account from the date on which control is obtained. They are deconsolidated from the date control ceases.

1.3 Going concern

The Directors have considered the future prospects of the Group based on a forecast covering the period of at least 12 months from the approval of these accounts and have concluded that the Group has sufficient resources to continue trading during that period. As a consequence, the consolidated financial statements have been prepared on a going concern basis.

1.4 Functional and presentation currency

The Group's functional and presentational currency is GBP.

1.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is stated net of VAT and comprises rental income, proceeds from sales of trading properties, trading income and other income.

Rental income from investment and trading properties leased out under operating leases is recognised in the Consolidated Profit and Loss Account on a straight-line basis over the term of the lease. Rent reviews are recognised when such reviews have been agreed with tenants. Lease incentives are recognised as an integral part of the net consideration for the use of the property and amortised on a straight-line basis over term of lease, or the period to the first tenant break, if shorter.

Sales of trading properties are recognised on completion of a contact. This reflects the point of transfer of risks and rewards when a trading property is sold.

Trading income for North Downs Golf Club is recognised on a straight-line basis over the term in respect of membership subscriptions and as received for other sales.

Other income is recognised as received.

1.6 Interest income

Interest income is recognised in the Consolidated Profit and Loss Account using the effective interest method.

1.7 Finance costs

Finance costs are charged to the Consolidated Profit and Loss Account 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.

1.8 Borrowing costs

All borrowing costs are recognised in the Consolidated Profit and Loss Account in the year in which they are incurred.

1.9 Pensions

The Group operates a defined contribution plan for its employees. The contributions are recognised as an expense in the Consolidated Profit and Loss Account when they fall due. Amounts not paid are shown in accruals as a liability in the Consolidated Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

1.10 Current and deferred tax

The tax credit for the year comprises current and deferred tax. Tax is recognised in the Consolidated Profit and Loss Account, 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 credit 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 and the Group operate and generate 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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.

1.11 Tangible fixed assets

Tangible fixed assets 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.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, at the following rates.

Freehold & long leasehold properties	2% straight-line basis
Motor vehicles	25% reducing balance
Fixtures, fittings and equipment	20% reducing balance

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 the Profit and Loss Account.

Repairs and maintenance costs are expensed as incurred.

1.12 Investment properties

Investment properties are those properties that are held either to earn rental income or for capital appreciation or both. Investment properties are measured and stated at fair value in the Consolidated Balance Sheet. Valuation surpluses and deficits arising in the year are included in the Consolidated Profit and Loss Account.

The gain or loss arising on the disposal of an investment property is determined as the difference between the sales proceeds and the fair value of the asset at the beginning of the period and is recognised in the Consolidated Profit and Loss Account. Investment properties developed by the Group are transferred from current assets at cost with the gain or loss on valuation being recorded in the Consolidated Profit and Loss Account.

Investment properties may be freehold properties or leasehold properties. For leasehold properties, the associated leasehold obligations, if material, are accounted for as finance lease obligations.

1.13 Other investments – listed companies

Investments in listed companies and are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Consolidated Profit and Loss Account.

1.14 Other investments – associates and joint ventures

An entity is treated as a joint venture where the Group is a party to a contractual agreement with one or more parties from outside the Group to undertake an economic activity that is subject to joint control.

An entity is treated as an associated undertaking where the Group exercises significant influence in that it has the power to participate in the operating and financial policy decisions.

Interests in associated undertakings are accounted for using the equity method of accounting. Under this method an equity investment is initially recognised at the transaction price (including transaction costs) and is subsequently adjusted to reflect the investors share of the profit or loss, other comprehensive income and equity of the associate. The Consolidated Profit and Loss Account includes the Group's share of the operating results, interest, pre-tax results and attributable taxation of such undertakings applying accounting policies consistent with those of the Group. In the Consolidated Balance Sheet, the interests in associated undertakings are shown as the Group's share of the identifiable net assets, including any unamortised premium paid on acquisition.

1.15 Trading properties

Properties held for development and resale are classified as trading properties and are shown at the lower of cost and net realisable value. Cost comprises purchase price, acquisition costs and direct expenditure. Net realisable value comprises the estimated sales price less selling costs and cost to complete.

1.16 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.

1.17 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.

1.18 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.

1.19 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group 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 the Consolidated Profit and Loss Account in the year that the Group becomes aware of the obligation and are measured at the best estimate of the expenditure required to settle the obligation at the balance sheet date, taking into account relevant risks and uncertainties.

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

1.20 Financial instruments

The Group only enters into basic financial instrument 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 ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each balance sheet date for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Profit and Loss Account.

Financial assets and liabilities are offset and the net amount reported in the Consolidated Balance Sheet when there is an 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.

1.21 Dividends

Dividends and other distributions to the Group's shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the shareholders. These amounts are recognised in the Consolidated Statement of Changes in Equity.

1.22 Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the Consolidated Profit and Loss Account over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Group keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to Consolidated Profit and Loss Account over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the Consolidated Profit and Loss Account is charged with fair value of goods and services received.

1.23 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Operating leases are recognised in the Consolidated Profit and Loss Account on a straight-line basis over the life of the lease.

2 Judgments in applying accounting policies and key sources of estimation uncertainty

In the application of the Group'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. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods. The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the consolidated financial statements are described in the accounting policies and are summarised below:

Investment and trading property valuations – the estimation of fair value of investment properties and the net realisable value of trading properties is based on Directors' valuations and is inherently subjective. Where the market has transaction volumes lower than average, the subjectivity around the valuations is more acute.

3 Auditors' remuneration

	2021	***2020***
	£000	***£000***
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	41	*47*

During the year, the auditor's remuneration for non-audit services was £12,000 (*2020: £13,000*)

4 Interest receivable and similar income

	2021	***2020***
	£000	***£000***
Other interest receivable	-	*4*

5 Interest payable and similar expenses

	2021 £000	*2020 £000*
Loan interest payable	572	*571*
Other interest payable	93	-
	665	*571*

6 Tax

	2021 £000	*2020 £000*
Corporation tax		
Current tax on profits for the year	-	-
Adjustments to prior year	2	*(135)*
Deferred tax charge	14	*(78)*
Total current tax (credit)/charge	16	*(213)*

Factors affecting tax charge for the year

The (credit)/charge for the year can be reconciled to the loss per the Consolidated Profit and Loss Account as follows:

	2021 £000	*2020 £000*
Profit/(loss) on ordinary activities before tax	130	*(1,897)*
Tax charge/(credit) at the UK corporation tax rate of 19% (*2020: 19%*)	25	*(360)*
Effects of:		
Income not taxable	(49)	*(5)*
Expenses not deductible for tax purposes	59	*52*
Capital allowances for year (in excess of)/less than depreciation	4	*8*
Utilisation of tax losses brought forward	(39)	-
Unrelieved tax losses carried forward	-	*305*
Group tax charge for the year	-	-

Factors that may affect future tax charges:

The Group has tax losses of £6,856,000 (*2020: £7,063,000*) which are available for offset against future trading profits. No deferred tax asset has been recognised in the financial statements due to the uncertainty as to the timing of the reversal. If the losses are utilised in future periods, the tax charge will be reduced.

7 Employees

The average monthly number of employees (included executive directors) during the year was:

	2021 Number	*2020 Number*
Sales	13	*13*
Administration	7	*8*
Operations	5	*5*
	25	*26*

The costs incurred in respect of employees (including executive directors) were:

	2021 £000	*2020 £000*
Wages and salaries	823	*950*
Social security costs	88	*106*
Other employment costs	8	*15*
	919	*1,071*

Staff costs are included within the following consolidated income statement:

	2021 £000	*2020 £000*
Cost of sales	258	*267*
Administrative expenses	661	*804*
	919	*1,071*

8 Tangible fixed assets

	Freehold & long leasehold properties £000	Motor vehicles £000	Fixtures, fittings and equipment £000	Total £000
Cost or valuation				
At 1 April 2020	2,866	95	177	3,138
Additions	90	-	21	111
Disposals	-	(95)	-	(95)
At 31 March 2021	2,956	-	198	3,154
Depreciation				
At 1 April 2020	191	57	121	369
Charge for the year on owned assets	40	-	13	53
On disposals	-	(57)	-	(57)
At 31 March 2021	231	-	134	365
Net book value				
At 31 March 2021	2,725	-	64	2,789
At 31 March 2020	*2,675*	*38*	*56*	*2,769*

The Group has pledged freehold properties with a carrying value of £1,540,000 (*2020: £1,575,000*) to secure banking facilities granted to the Group.

9 Other investments

	Investment in associate £000	Listed investments £000	Total £000
Cost or valuation			
At 1 April 2020	150	321	471
Share of associates	28		
Dividend received	(28)		
Revaluation	-	223	223
	150	544	694

Investment in associate

The Group owns 50% of the ordinary share capital of Grafton Insurance Services Ltd ("Grafton"), a company incorporated in England. Grafton is accounted for as an associate as the Group exercises significant influence over Grafton but does not have joint control.

Investment in listed companies

The Group owns 2,597,334 shares (*2020: 2,597,334 shares*) in Safestay plc representing 4.02% (*2020: 4.02%*) of the issued share capital. The shares were restated at market value of 20.5p (*2020: 12.0p*).

The Group owns 5,119 (*2020: 5,119*) ordinary equity shares in Palace Capital plc representing 0.04% (*2020: 0.04%*) of the issued share capital. The shares were restated at market value of 236p (*2020: 178p*).

10 Investment property

	Freehold investment property £000
Valuation	
At 1 April 2020 (as restated)	18,837
Revaluations	(307)
At 31 March 2021	18,530

Investment property consists of residential properties located in North London. The methodology to value these properties is to compare historical comparable market transactions less a percentage reduction to reflect the limitation of restrictive tenancies where appropriate.

The Group has pledged investment properties with a carrying value of £18,490,000 (*2020: £16,090,000*) to secure banking facilities granted to the Group.

11 Inventories

	2021 £000	***2020 £000***
Stock held for resale	26	*31*
	26	*31*

12 Trading Properties

	2021 £000	***2020 as restated £000***
Properties held for resale	3,235	*3,019*
	3,235	*3,019*

The Group has pledged properties for resale with a carrying value of £nil (*2020: £2,301,000*) to secure banking facilities granted to the Group. Properties for resale were reviewed for impairment as at 31 March 2021.

13 Debtors

	2021 £000	*2020 £000*
Trade debtors	5	*39*
Other debtors	269	*92*
Prepayments and accrued income	62	*36*
	336	*167*

Included in other debtors is an amount of £225,000 which is due after more than one year

14 Cash and cash equivalents

	2021 £000	*2020 £000*
Cash at bank and in hand	1,934	*2,116*
	1,934	*2,116*

15 Creditors: amounts falling due within one year

	2021 £000	*2020 as restated £000*
Bank loans (note 17)	2,926	*9,528*
Trade creditors	153	*135*
Corporation tax	-	*2*
Other tax and social security	24	*26*
Other creditors (note 22)	24	*1,410*
Accruals and deferred income	229	*173*
	3,356	*11,274*

Included in other creditors is an amount due in respect of pension contributions of £nil (*2020 - £1,000*).

16 Creditors: amounts falling due after more than one year

	2021 £000	*2020 £000*
Bank loans (note 17)	7,920	-
	7,920	-

17 Loans

	2021 £000	*2020* *£000*
Amounts falling due within one year		
Bank loans	2,926	*9,528*
Amounts falling due 3-5 years		
Bank loans	7,920	-
		-
	10,846	*9,528*

There were no breaches of bank covenants as at 31 March 2021 or 31 March 2020.

All of the Group's bank loans and overdrafts disclosed above comprise borrowings in GBP.

During the year, the Group refinanced its borrowings with Investec Bank.

The bank loans are secured on investment and fixed asset properties with carrying values of £19,990,000 (*2020: £19,966,000*). The Group has undrawn committed borrowing facilities of £2,044,000 (*2020: £6,926,000*) as at 31 March 2021.

18 Deferred tax

	£000
At 1 April 2020	14
Credited to Profit and Loss	(14)
At 31 March 2021	-

The deferred tax balance comprises:

	2021 £000	*2020* *£000*
Accelerated capital allowances	-	*14*

No deferred tax asset has been recognised in relation to trading losses due to uncertainty over the timing of reversal. The Group has losses totalling £6,856,000 (*2020: £7,063,000*) that may be available for future utilisation.

19 Share capital

	2021		*2020*	
	Number	£000	*Number*	*£000*
Allotted, called up and fully paid				
Ordinary shares of 5p each	13,544,567	677	*13,544,567*	*677*

20 Share based payments

No new share options were granted in the year. The Company has previously granted share options to subscribe for ordinary shares of 5p as follows:

Grant date	Exercise price per share	Period within which options are exercisable	Number of share options outstanding 2021	*2020*
28/09/2011	9.25p	28/09/2014 to 27/09/2021	14,477,675	*14,477,675*
			14,477,675	*14,477,675*

The share options are exercisable at a price equal to the average quoted market price of the Company's shares on the date of grant. The vesting period is three years from the date of grant and the share price must be a minimum of 11.25p. The options are forfeited if the employee leaves the Group before the options vest.

Details of these share options are summarised in the table below

	2021		*2020*	
	Number of share options	Weighted average exercise price	*Number of share options*	*Weighted average exercise price*
Outstanding at the beginning and end of the year	14,477,675	9.25p	*14,477,675*	*9.25p*
Exercisable at the end of the year	14,477,675	9.25p	*14,477,675*	*9.25p*

A share-based payment charge in relevant years was calculated using the Monte Carlo model to calculate the fair value of the share options.

21 Related party transactions

Larry Lipman owns a leasehold property, the freehold of which is owned by the Group. During the year, the Group invoiced £nil (*2020: £nil*) in respect of ground rent on this property. The Group manages a portfolio of properties owned by Larry Lipman. The Group received fees of £nil (*2020: £nil*) from Mr Lipman in the year.

Safeland Plc holds shares in Safestay Plc with a fair value of £532,000 (*2020: £312,000*). Larry Lipman is a director and chairman in Safestay Plc.

22 Prior year adjustment

In the current year, amounts due under the S106 agreement with the local council and the Parent Company and Community Infrastructure Levy costs in respect of the development of Raglan House were paid to the local authority. These costs had not been recognised in the accounts of the group when the development was completed in the year ended 31 March 2018.

The classification of the Market Walk Shopping Centre in Northampton was also reviewed in the current year and it was determined that this asset should have been classified as trading stock on acquisition and not as an investment property.

The net effect of the corrections to the balance sheet are as follows:

	£000
Net assets for the prior financial year as previously reported	17,498
Investment property	(718)
Trading properties	718
Creditors understated	(1,376)
Net assets for the prior financial year as restated	16,122

Company balance sheet

Registered number: 0202015

	Note	2021 £000	***2020 as restated £000***
Fixed assets			
Tangible assets	**5**	1,550	*1,626*
Other investments	**6**	635	*411*
Investment property	**7**	10,475	*10,900*
		12,660	*12,937*
Current assets			
Trading properties	**8**	1,513	-
Debtors	**9**	6,812	*6,664*
Cash at bank and in hand	**10**	1,347	*1,829*
		9,672	*8,493*
Creditors: amounts falling due within one year	**11**	(6,076)	*(12,180)*
Net current (liabilities)/assets		3,596	*(3,687)*
Total assets less current liabilities		16,256	*9,250*
Creditors: amounts falling due after more than one year	**12**	(7,920)	-
Provisions for liabilities			
Deferred tax	**14**	-	*(14)*
Net assets		8,336	*9,236*
Capital and reserves			
Called up share capital	**15**	677	*677*
Capital redemption reserve		166	*166*
Share based payment reserve		354	*354*
Profit and loss account		7,139	*8,039*
		8,336	*9,236*

The parent company has taken advantage of section 408 (3) of the companies Act 2006 and consequently a profit and loss account for the Company alone has not been presented or delivered to the Registrar of Companies. The loss for the year was £899,000 (*2020: profit of £7,111,000).*

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 24 August 2021

Larry Lipman
Director

The notes on pages 29 to 40 form part of these financial statements.

Company statement of changes in equity for the year ended 31 March 2021

	Called up share capital £000	Capital redemption reserve £000	Share based payment reserve £000	Profit and loss account £000	Total equity £000
At 31 March 2019	739	104	354	2,856	4,053
Correction of prior year error	-	-	-	(1,376)	(1,376)
At 1 April 2019	739	104	354	1,480	2,677
Comprehensive income for the year					
Profit for the year	-	-	-	7,111	7,111
Total comprehensive income	-	-	-	7,111	7,111
Purchase of own shares	(62)	62	-	(552)	(552)
Transactions with owners	(62)	62	-	(552)	(552)
At 1 April 2020	677	166	354	8,039	9,236
Comprehensive income for the year					
Loss for the year	-	-	-	(900)	(900)
Total comprehensive income	-	-	-	(900)	(900)
At 31 March 2021	677	166	354	7,139	8,336

The notes on pages 29 to 40 form part of these financial statements.

Notes to the company financial statements

General information

Safeland PLC is engaged in property owning and development activities and also acts as the holding company of the Safeland PLC Group. The address of its registered office is 1A Kingsley Way, London, N2 0FW.

1 Accounting policies

1.1 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 (see note 1.21).

In preparing these financial statements the Company has taken advantage of all disclosure exemptions conferred by FRS102. Therefor these financial statements do not include:

- A statement of cash flows and related notes
- Presentation of comparative information in respect of property, plant and equipment, intangible assets, and investment property.
- Disclosure of key management personnel compensation
- Disclosures in respect of financial instruments (other than disclosures required for recording financial instruments at fair value)
- Disclosures in relation to non-current assets held for sale and discontinued operations
- Certain disclosures in relation to accounting policies, changes in accounting estimates and errors
- Certain related party disclosures

The following principal accounting policies have been applied:

1.2 Going concern

The Directors have considered the future prospects of the Company based on a forecast covering the period of at least 12 months from the approval of these accounts and have concluded that the Company has sufficient resources to continue trading during that period. As a consequence, the financial statements have been prepared on a going concern basis.

1.3 Functional and presentation currency

The Company’s functional and presentational currency is GBP.

1.4 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 stated net of VAT and comprises rental income, proceeds from sales of trading properties, trading income and other income.

Rental income from investment and trading properties leased out under operating leases is recognised in the Profit and Loss Account on a straight-line basis over the term of the lease. Rent reviews are recognised when such reviews have been agreed with tenants. Lease incentives are recognised as an integral part of the net consideration for the use of the property and amortised on a straight-line basis over term of lease, or the period to the first tenant break, if shorter.

Sales of trading properties are recognised on completion of a contract. This reflects the point of transfer of risks and rewards when a trading property is sold.

Other income is recognised as received.

1.5 Interest income

Interest income is recognised in Profit and Loss Account using the effective interest method.

1.6 Finance costs

Finance costs are charged to the Profit and Loss Account 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.

1.7 Borrowing costs

All borrowing costs are recognised in the Profit and Loss Account in the year in which they are incurred.

1.8 Pensions

The Company operates various defined contribution plans for its employees. The contributions are recognised as an expense in the Profit and Loss Account when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

1.9 Current and deferred tax

The tax credit for the year comprises current and deferred tax. Tax is recognised in the Profit and Loss Account, 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 theywill 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 valuesof 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.

1.10 Tangible fixed assets

Tangible fixed assets 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.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, at the following rates.

Freehold & long leasehold properties	2% straight-line basis
Motor vehicles	25% reducing balance
Fixtures, fittings and equipment	20% reducing balance

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 the Profit and Loss Account.

Repairs and maintenance costs are expensed as incurred.

1.11 Investment properties

Investment properties are those properties that are held either to earn rental income or for capital appreciation or both. Investment properties are measured and stated at fair value in the Balance Sheet. Valuation surpluses and deficits arising in the year are included in the Profit and Loss Account.

The gain or loss arising on the disposal of an investment property is determined as the difference between the sales proceeds and the fair value of the asset at the beginning of the period and is recognised in the Profit and Loss Account. Investment properties developed by the Company are transferred from current assets at cost with the gain or loss on valuation being recorded in the Profit and Loss Account.

Investment properties may be freehold properties or leasehold properties. For leasehold properties, the associated leasehold obligations, if material, are accounted for as finance lease obligations.

1.12 Other investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in associates are measured at cost less accumulated impairment.

Investments in listed companies are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in Profit and Loss Account.

1.13 Trading properties

Properties held for development and resale are classified as trading properties and are shown at the lower of cost and net realisable value. Cost comprises purchase price, acquisition costs and direct expenditure. Net realisable value comprises the estimated sales price less selling costs and cost to complete.

1.14 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.

1.15 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.

1.16 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.

1.17 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 the Profit and Loss Account 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.

1.18 Financial instruments

The Company only enters into basic financial instrument 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 ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each balance sheet date for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and Loss Account.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an 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.

1.19 Dividends

Dividends and other distributions to the Company's shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the shareholders. These amounts are recognised in the Company Statement of Changes in Equity.

1.20 Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to Profit or Loss Account over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, Profit or Loss Account is charged with fair value of goods and services received.

1.21 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Operating leases are recognised in the Profit and Loss Account on a straight-line basis over the life of the lease.

2 Judgments in applying accounting policies and key sources of 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. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods. The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described in the accounting policies and are summarised below:

Investment and trading property valuations - the estimation of fair value of investment properties and the net realisable value of trading properties is based on Directors' valuations and is inherently subjective. Where the market has transaction volumes lower than average, the subjectivity around the valuations is more acute.

Amounts due from group undertakings - the recoverability of the amounts due from group undertakings is based on the Director's judgement as to the valuation of the subsidiaries' net asset values which includes the valuation of the subsidiaries' investment and trading properties.

Notes to the company financial statements

3 Auditors' remuneration

	2021	***2020***
	£000	***£000***
Fees payable to the Company's auditor for the audit of the annual financial statements	11	*20*

During the year, the auditor's remuneration for non-audit services was £4,000 (*2020: £5,000*).

4 Employees

The average monthly number of employees (included executive directors) during the year was:

	2021	***2020***
	Number	***Number***
Sales	3	*3*
Administration	3	*4*
	6	*7*

The costs incurred in respect of employees (including executive directors) were:

	2021	***2020***
	£000	***£000***
Wages and salaries	529	*628*
Social security costs	69	*87*
Other employment costs	2	*4*
	600	*719*

5 Tangible fixed assets

	Freehold & long leasehold properties £000	Motor vehicles £000	Fixtures, fittings and equipment £000	Total £000
Cost				
At 1 April 2020	1,760	95	119	1,974
Additions	-	-	-	-
Disposals	-	(95)	-	(95)
At 31 March 2021	1,760	-	119	1,879
Depreciation				
At 1 April 2020	185	57	106	348
Charge for the year on owned assets	35	-	3	38
On disposals	-	(57)	-	(57)
At 31 March 2021	220	-	109	329
Net book value				
At 31 March 2021	1,540	-	10	1,550
At 31 March 2020	1,575	38	13	1,626

The company has pledged freehold properties with a carrying value of £1,540,000 (*2020: £1,575,000*) to secure banking facilities granted to the company.

6 Other investments

	Subsidiary companies £000	Associates £000	Listed companies £000	Total £000
Cost or valuation				
At 1 April 2020	-	90	321	411
Revaluation	-	-	224	224
At 31 March 2021	-	90	545	635

Subsidiary Companies

The investment in subsidiary companies comprises wholly owned subsidiaries of the Company which are all incorporated in England and Wales. The subsidiary undertakings of the Company, which are located at the registered office address shown on the page 29 are set out below.

Name	Principal activity	Holding
CFC 29 Ltd	Property investment	100%
CFC 35 Ltd	Property trading and development	100%
CFC 52 Ltd	Property investment	100%
Ivygate Developments Ltd	Property investment	100%
Safegolf Ltd	Golf club	100%
Safeland Active Management Ltd	Property management	100%
Safeland Investments Ltd	Property investment	100%
THFC 59 Ltd	Property trading and development	100%

In addition, the following companies, incorporated in Great Britain and registered in England and Wales, were wholly owned dormant subsidiaries at 31 March 2021.

CFC 36 Ltd
CFC 37 Ltd
CFC 47 Ltd
Cloverdale Estates Ltd
Dunsford Commercial Ltd
Icebath Ltd
Placeadmit Ltd
Pullpower Ltd
Raglan Hotel Management Company 2013 Ltd
Safeland (Ground Rents) Ltd
Triangle Estates Ltd

Associates

The investment in associates comprises 50% of the issued share capital of Grafton Insurance Services Limited ("Grafton"), a Company incorporated in England.

Listed investments

The Company owns 2,597,334 shares (*2020: 2,597,334 shares*) in Safestay plc representing 4.02% (*2020: 4.02%*) of the issued share capital. The shares were restated at market value of 20.5p (*2020: 12.0p*).

The Company owns 5,119 (*2020: 5,119*) ordinary equity shares in Palace Capital plc representing 0.04% (*2020: 0.04%*) of the issued share capital. The shares were restated at market value of 236p (*2020: 178p*).

Other Investments

The Company owns 4,535,005 income units and 4,535,005 capital units in the Safeland Active Management Unit Trust. The Directors estimate that the market value of these units is £nil (*2020: £nil*).

Notes to the company financial statements

Continued

7 Investment property

	Freehold investment property £000
Valuation	
At 1 April 2020	10,900
Revaluation	(425)
At 31 March 2021	10,475

Investment property consists of a residential property located in North London which has been valued by the Directors. The methodology to value this property is to compare historical comparable market transactions less a percentage reduction to reflect the limitation of restrictive tenancies where appropriate. No deferred tax provision is recognised as the revaluations undertaken to date have been taxed.

The Company has pledged investment properties with a carrying value of £10,475,000 (*2020: £10,900,000*) to secure banking facilities granted to the Group.

8 Trading properties

	2021 £000	***2020 £000***
Properties held for development and resale	1,513	-
	1,513	-

9 Debtors

	2021 £000	***2020 £000***
Trade debtors	9	*9*
Amounts owed by group undertakings	6,566	*6,595*
Other debtors	225	*41*
Prepayments and accrued income	13	*19*
	6,812	*6,664*

Included in other debtors is an amount of £225,000 which is due after more than one year

10 Cash and cash equivalents

	2021 £000	*2020 £000*
Cash at bank and in hand	1,347	*1,829*
	1,347	*1,829*

11 Creditors: amounts falling due within one year

	2021 £000	*2020 as restated £000*
Bank loans (note 13)	2,926	*9,528*
Trade creditors	119	*46*
Amounts due to group undertakings	2,943	*1,128*
Corporation tax	-	*2*
Other tax and social security	20	*21*
Other creditors (note 18)	5	*1,377*
Accruals and deferred income	63	*78*
	6,076	*12,180*

Included in other creditors is an amount due in respect of pension contributions of £nil (*2020: £1,000*).

12 Creditors: amounts falling due after more than one year

	2021 £000	*2020 £000*
Bank loans (note 13)	7,920	-
	7,920	-

13 Loans

	2021 £000	*2020 £000*
Amounts falling due within one year		
Bank loans	2,926	*9,523*
Amounts falling due 3-5 years		
Bank loans	7,920	-
	10,846	*9,523*

There were no breaches of bank covenants as at 31 March 2021 or 31 March 2020.

All of the Group’s bank loans and overdrafts disclosed above comprise borrowings in GBP.

During the year, the Company refinanced its borrowings with Investec Bank

The bank loans are secured on investment and fixed asset properties owned by the Company and the Group with carrying values of £19,990,000 (*2020: £19,966,000*). The Group has undrawn committed borrowing facilities of £2,044,000 (*2020: £6,926,000*) as at 31 March 2021.

14 Deferred tax

	£000
At 1 April 2020	14
Credited to Profit and Loss	(14)
At 31 March 2021	-

The deferred tax balance comprises:

	2021	*2020*
	£000	*£000*
Accelerated capital allowances	-	*14*

No deferred tax asset has been recognised in relation to trading losses due to uncertainty over the timing of reversal. The Group has losses totalling £6,856,000 (*2020: £7,063,151*) that may be available for future utilisation.

15 Share capital

	2021		*2020*	
	Number	£000	*Number*	*£000*
Allotted, called up and fully paid				
Ordinary shares of 5p each	13,544,567	677	*13,544,567*	*677*

16 Share based payments

Details of share based payments are disclosed in note 20 to the consolidated financial statements.

17 Related party transactions

The Company has taken advantage of the exemption permitted in FRS 102 not to disclose transactions with its wholly owned subsidiaries.

Safeland Plc holds shares in Safestay Plc with a fair value of £532,000 (*2020: £312,000*). Larry Lipman is a director and chairman in Safestay Plc.

Notes to the company financial statements

Continued

18 Prior year adjustment

In the current year, S106 and Community Infrastructure Levy costs in respect of the development of Raglan House were paid to the local authority. These costs had not been recognised in the accounts of the group when the development was completed in the year ended 31 March 2018. The net effect of the corrections to the balance sheet are as follows:

	£000
Net assets for the prior financial year as previously reported	10,612
Creditors understated	(1,376)
Net assets for the prior financial year as restated	9,236

Safeland

Safeland plc
1a Kingsley Way
London N2 0FW

T: 020 8815 1600
F: 020 8815 1601
safeland.co.uk