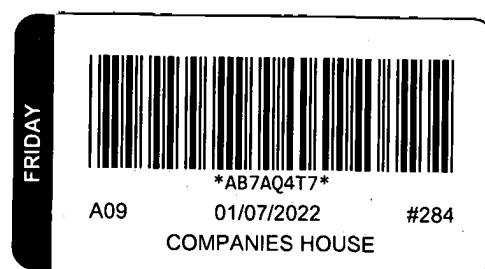


Company Registration Number: 00292689

S.G. SECURITIES U.K. LIMITED

Annual Report and Financial Statements for the year ended 31 December 2021



S.G. SECURITIES U.K. LIMITED

Company Registration Number: 00292689

Report and Financial Statements for the year ended 31 December 2021

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S.G. SECURITIES U.K. LIMITED

Company Registration Number: 00292689

Directors and Officers

Board of Directors

Wayne Lawson-Turnbull (Chairman)
Fiona McKinnon
Alastair S Holmes
John Quarmby

Secretary

Harriet H L Charles, FCG

Registered office and principal place of business

5 Broadgate,
London, EC2M 2QS

Registered Auditors

Ernst & Young LLP
25 Churchill Place
Canary Wharf
London E14 5EY

S.G. SECURITIES U.K. LIMITED

Company Registration Number: 00292689

Directors' report

The Directors present their Report together with the audited Financial Statements of S.G. Securities U.K. Limited ("the Company") for the year ended 31 December 2021 ("the year") which have been prepared in accordance with the provisions of the Companies Act 2006. The Company is a private company limited by shares incorporated in the United Kingdom under the Companies Act 1985, registered in England and Wales with number 00292689, with its registered office situated at 5 Broadgate, London EC2M 2QS. The Company is part of UBS Group AG consolidated group, which includes UBS Group AG and its consolidated subsidiaries, also referred to as the ("Group"). The Company is a direct, wholly owned subsidiary of UBS UK Holdings Limited of which the immediate parent is UBS AG. UBS Group AG, a company incorporated with limited liability in Switzerland, is the ultimate holding company ("the Parent").

Small companies exemption

The Directors have taken advantage of the Small Companies Exemption available under Section 415 A of the Companies Act 2006 when preparing the Director's Report. The small companies exemption also allows the Directors to take advantage of the exemption under Section 414B of the Companies Act 2006 and have not prepared a Strategic Report for the year pursuant to Section 414A of the Companies Act 2006. The Company does not produce consolidated financial statements, being exempt from this requirement under s401 of the Companies Act (2006).

Principal Activities

The principal activities of the Company during the year was to act as trustee of the SG Warburg & Co. Ltd. Residual Depositors Trust. The Company is, and was throughout the year, the wholly-owned subsidiary of a company incorporated in the United Kingdom which was itself a wholly owned subsidiary of UBS Group AG. The company established the SG Warburg & Co. Ltd. Residual Depositor's Trust on 27 August 1997. The trust was created for the purpose of holding an amount equal to the aggregate amount of untraceable deposits existing at the time the Company surrendered its banking licence. As at 31 December 2021 the funds held amount to GBP 150,993.01 (2020: GBP 150,934.06) and USD 48,294.15 (2020: USD 48,240.43) and are held in accounts with UBS AG. The balances on those accounts are held on trust for the untraceable depositors. There are no on-going administrative costs for this trust. In 2077 any remaining funds which haven't been claimed by the untraceable depositors will then be held in the trust solely for the benefit of the Company.

Going Concern

For the purposes of the revised guidance to Directors of UK companies issued in 2020 by the United Kingdom Financial Reporting Council on Going Concern and Liquidity Risk, the Directors have, on the basis of their assessment of the Company's financial position, reasonably concluded that the Company will be able to continue in operational existence for the foreseeable future. Accordingly, the Directors shall continue to adopt the going concern basis in the preparation of its financial statements.

The Company has now had more than 2 years' experience operating in a COVID-19 environment and has demonstrated that it can operate as normal. The Company does not have any direct or indirect impact due to war situation between Russia and Ukraine. The Company has adequate resources to continue in operational existence for the 12 months from the date on which the financial statements are approved and there is no current plan to liquidate for the Company in the near future.

Results

The Company has not incurred any expenses nor earned any revenues during the year or in the preceding year and, as a consequence, has made neither a profit nor a loss in respect of the year or in the preceding year. All expenses in relation to the operations of the Company have been borne by UBS AG.

S.G. SECURITIES U.K. LIMITED

Company Registration Number: 00292689

Directors' report (continued)

Directors

The names of the current Directors are shown on page 2

No service contracts have subsisted between the Company and any of its Directors during the year and no such contracts have come into being since the year.

Directors' responsibilities

The following statement, which should be read in conjunction with the statement on auditors' responsibilities on page 7, is made by the Directors to explain their responsibilities in relation to the preparation of the financial statements and Directors' Report.

The Directors are responsible for preparing the financial statements and the Director's report in accordance with applicable United Kingdom law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice; including Financial Reporting Standard 101 'Reduced Disclosure Framework'. The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- Select suitable and appropriate accounting policies and then apply them consistently;
- Present fairly the financial position and financial performance of the Company;
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- Make judgements and accounting estimates that are reasonable;
- State whether applicable United Kingdom 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.

Disclosure of Information to auditors

Each of the Directors at the date of Board approval of this Report and the Accounts has confirmed that:

- So far as he/she is aware, there was no relevant audit information of which the auditors were unaware; and,
- He/she has taken all the steps they ought to have taken as a Director in order to make
- himself/herself aware of any relevant audit information and to establish that the auditors have been made aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

S.G. SECURITIES U.K. LIMITED

Company Registration Number: 00292689

Directors' report

Charitable and Political contributions

There were no charitable donations nor any contributions for political purposes made by the Company during the year (2020: nil).

Auditor

Ernst & Young LLP, Chartered Accountants and Registered Auditor, have indicated their willingness to continue in office and shall continue in office in accordance with Section 487 of the Act.

Approved by the Board of Directors on 22 June 2022 and signed on their behalf by:



Harriet H L Charles

Secretary

5 Broadgate, London, EC2M 2QS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF S.G. SECURITIES LIMITED

Opinion

We have audited the financial statements of S.G. SECURITIES LIMITED (the 'company') for the year ended 31 December 2021 which comprise the Income Statement, the Balance Sheet, the Statement of changes in equity and the related notes 1 to 7, 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 FRS 101 "Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2021;
- 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 Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and the provisions available for small entities, in the circumstances set out in Directors Report, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period up to 23 June 2023 from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the director with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

S.G. SECURITIES U.K. LIMITED

Company Registration Number: 00292689

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF S.G. SECURITIES LIMITED (CONTINUED)

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has 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 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
- 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 company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

S.G. SECURITIES U.K. LIMITED

Company Registration Number: 00292689

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF S.G. SECURITIES LIMITED

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

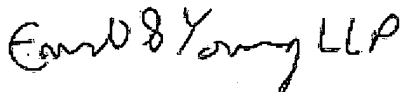
Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS 101 and Companies Act 2006) and the relevant tax compliance regulations in the jurisdiction in which the Company operates.
- We understood how the Company is complying with those frameworks by making enquiries of management, those charged with governance and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of Board minutes as well as consideration of the results of our other audit procedures across the Company to either corroborate or provide contrary evidence which was then followed up.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override of controls as a fraud risk. We considered the entity level controls and governance oversight structure that the company has established to address risks identified by the entity, or that otherwise seek to prevent, deter or detect fraud.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved: making enquiry of those charged with governance and management for their awareness of any non-compliance of laws or regulations; enquiring about the policies that have been established to prevent non-compliance with laws and regulations by employees and enquiring about the company's methods of enforcing and monitoring compliance with such policies; and testing journal entries based on specific risk factors.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Chris Brouard (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
23 June 2022

S.G. SECURITIES U.K. LIMITED

Company Registration Number: 00292689

**Income statement
for the year ended 31 December 2021**

| | 2021 £'000 | 2020 £'000 |
|--------------------------------------|---------------|---------------|
| Total operating income | - | - |
| Total operating expenses | - | - |
| Profit before tax | - | - |
| Taxation | - | - |
| Profit for the financial year | - | - |

The notes on pages 12 to 13 form part of these financial statements

S.G. SECURITIES U.K. LIMITED

Company Registration Number: 00292689

**Balance sheet
as at 31 December 2021**

| | Notes | 2021 £000 | 2020 £000 |
|----------------------------|-------|--------------|--------------|
| Non-current assets | | | |
| Debtors | 4 | 105 | 105 |
| Total Assets | | <u>105</u> | <u>105</u> |
| Equity and reserves | | | |
| Called up share capital | 5 | 100 | 100 |
| Profit and loss account | | 5 | 5 |
| Total Equity | | <u>105</u> | <u>105</u> |

These financial statements were approved by the Board on 22 June 2022 and are signed on their behalf by:



Fiona McKinnon
Director

The notes on pages 12 to 13 form part of these financial statements

S.G. SECURITIES U.K. LIMITED

Company Registration Number: 00292689

**Statement of changes in equity
as at 31 December 2021**

| | Share Capital | Retained Earnings | Total Equity |
|-------------------------------|--------------------------|------------------------------|-------------------------|
| | £'000 | £'000 | £'000 |
| At 1 January 2020 | 100 | 5 | 105 |
| Profit for the financial year | - | - | - |
| At 31 December 2020 | 100 | 5 | 105 |
| Profit for the financial year | - | - | - |
| At 31 December 2021 | 100 | 5 | 105 |

S.G. SECURITIES U.K. LIMITED

Company Registration Number: 00292689

Notes to the financial statements for the year ended 31 December 2021

1. Accounting policies

The accounting policies applied in the preparation of the financial statements (the "Financial Statements") of the Company are described in this note. These policies have been applied consistently in all years presented unless otherwise stated.

Basis of accounting

The Financial Statements have been prepared under the historical cost convention and in accordance with United Kingdom Generally Accepted Accounting Policies ("UK GAAP"), and Financial Reporting Standard 101 ("FRS 101") for all periods presented. Pounds sterling is the functional currency of the Company which is the currency of the primary economic environment in which the Company operates and the currency in which these Financial Statements are presented. The Company continues to adopt the going concern basis in the preparation of its financial statements.

The Company has taken advantage of the following exemptions under FRS 101:

- (a) the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of paragraph 79(a)(iv) of IAS 1
- (b) the requirements of paragraphs 10(d), 10(f), 38A-38D, 111 and 134-136 of IAS 1 Presentation of Financial Statements.
- (c) the requirements of IAS 7 Statement of Cash Flows.
- (d) the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.
- (e) the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures.
- (f) the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.
- (g) The requirements of IFRS 7 Financial Instruments: Disclosures, provided that equivalent disclosures are included in the consolidated financial statements of the group in which the entity is consolidated.

The Company's financial statements for the year ended 31 December 2021 were approved by the Board of Directors on 22 June 2022 and the balance sheet was signed on the Board's behalf by Fiona McKinnon.

The Company has now had more than 2 years' experience operating in a COVID-19 environment and has demonstrated that it can operate as normal. The Company does not have any direct or indirect impact due to war situation between Russia and Ukraine. The Company has adequate resources to continue in operational existence for the 12 months from the date on which the financial statements are approved and there is no plan to liquidate the Company in the near future.

Debtors

Debtors are amounts due in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets. Debtors are measured at fair value upon initial recognition. At each balance sheet date debtors are reviewed to determine whether there is an indication of impairment. If such indication exists, the recoverable amount is estimated.

2. Auditor's remuneration

During the year, fees of £4,500 (2020: £2,794) in connection with the audit of the Company's annual accounts were paid by UBS AG on the Company's behalf. In accordance with normal practice no recharge will be made to the Company.

S.G. SECURITIES U.K. LIMITED

Company Registration Number: 00292689

Notes to the financial statements for the year ended 31 December 2021

3. Staff Costs & Directors' Remuneration

The Company has no employees of its own (2020: Nil). The Group has made and continues to make available a number of its employees to be engaged either on a full-time or part-time basis in the performance of certain functions or operations in connection with the Company's business.

The Directors who served during the year did not receive any emoluments for services to the Company. (2020: nil)

4. Debtors

| | 2021 £'000 | 2020 £'000 |
|---|---------------|---------------|
| Amounts due from UBS UK Holding Limited | 105 | 105 |
| | <hr/> | <hr/> |
| | 105 | 105 |

5. Share capital

Issued, allotted and fully paid

| | 2021 £'000 | 2020 £'000 |
|------------------------------------|---------------|---------------|
| 100,000 ordinary shares of £1 each | 100 | 100 |
| | <hr/> | <hr/> |
| | 100 | 100 |

6. Ultimate parent company

The Company's immediate parent undertaking is UBS UK Holding Limited, a company incorporated in the United Kingdom. The ultimate parent undertaking and controlling party is UBS Group AG, a company incorporated in Switzerland. This is the largest Group Company preparing consolidated financial statements which include the Company's financial statements.

Copies of the financial statements can be obtained from:

<https://www.ubs.com/global/en/investor-relations/financial-information/annual-reporting.html>

7. Event after balance sheet date

There are no significant events that have been identified which remain to be adjusted in the financial statements and supporting notes.