

Company Registration No. 09888806 (England and Wales)

**SDI (SOUTHPORT) LIMITED**  
**DIRECTORS' REPORT AND UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 DECEMBER 2022**

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## SDI (SOUTHPORT) LIMITED

### COMPANY INFORMATION

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Directors	C A Rotsey (appointed 11 August 2022, resigned 1 July 2023) B Hindmarch (appointed 11 August 2022, resigned 1 July 2023) N Townson (appointed 11 August 2022, resigned 1 July 2023) E Noguera (appointed 11 August 2022) J Emly (appointed 11 August 2022) J Witt (appointed 29 September 2022, resigned 1 July 2023) N Taylor (appointed 1 July 2023) M Chivers (appointed 1 July 2023) J Witt (appointed 1 July 2023)
Secretary	Crestbridge UK Limited (appointed 11 August 2022)
Company number	09888806
Registered office	8 Sackville Street London W1S 3DG

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## SDI (SOUTHPORT) LIMITED

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## SDI (SOUTHPORT) LIMITED

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### **DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2022**

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The directors present their directors' report and financial statements for the period ended 31 December 2022.

#### Principal activities

The principal activity of the company continued to be that of property investment.

#### Results and dividends

On 22 August 2022 SDI (Southport) Limited (the Company) was acquired by RI UK 1 Ltd and operates as a constituent of the Realty Income Corporation group (the "Group"). The Company's principal activity is property investment in the United Kingdom (the "UK"). The Company amended its accounting period to 31 December 2022 (from 30 September 2022).

The results for the period are set out on page 6.

No ordinary dividends were paid. The directors do not recommend payment of a dividend.

#### Directors

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

C A Rotsey (appointed 11 August 2022, resigned 1 July 2023)  
B Hindmarch (appointed 11 August 2022, resigned 1 July 2023)  
N Townson (appointed 11 August 2022, resigned 1 July 2023)  
E Noguera (appointed 11 August 2022)  
J Emly (appointed 11 August 2022)  
J Witt (appointed 29 September 2022, resigned 1 July 2023)  
N Taylor (appointed 1 July 2023)  
M Chivers (appointed 1 July 2023)  
J Witt (appointed 1 July 2023)

#### Qualifying third party indemnity provisions

The directors of the company with Qualifying Third-Party Indemnity provisions within the meaning given to the term by Sections 234 and 235 of the Companies Act 2006. This is in respect of liabilities for which they may become liable to in their capacity as director of the company and of any company within the group. Such indemnities were in force throughout the financial year and will remain in force.

## SDI (SOUTHPORT) LIMITED

### DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2022

#### Statement of directors' responsibilities

The Directors are responsible for preparing the 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 they have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards and applicable laws (United Kingdom Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the company for that year. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements 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;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

#### Environmental matters

The Company will seek to minimise adverse impacts on the environment from its activities, whilst continuing to address health, safety and economic issues. The Company has complied with all applicable legislation and regulations.

#### Small companies note

The Company has taken advantage of the exemption provided for under section 414(B) of the Companies Act 2006 and has not produced a Strategic Report.

On behalf of the board

DocuSigned by:  
*Nicolas G. Taylor*  
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N Taylor  
Director  
8 Sackville Street,  
London,  
W1S 3DG,  
England  
Date: 28/9/2023

**INCOME STATEMENT  
FOR THE PERIOD ENDED 31 DECEMBER 2022**

		<b>3 month ended 31 December 2022</b>	<b>18 month ended 30 September 2022</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
<b>Revenue</b>	<b>3</b>	<b>160,138</b>	<b>694,048</b>
<b>Gross Profit</b>		<b>160,138</b>	<b>694,048</b>
Administrative Expenses		<b>(49,196)</b>	<b>(329,046)</b>
<b>Operating profit/(loss)</b>	<b>4</b>	<b>110,942</b>	<b>365,002</b>
Taxation	<b>5</b>	<b>13,404</b>	<b>(16,783)</b>
<b>Profit and total comprehensive income for the financial period</b>	<b>10</b>	<b>124,346</b>	<b>348,219</b>

The income statement has been prepared on the basis that all operations are continuing operations. There were no recognised gains or losses for the current period or prior period other than those shown above.

The notes on pages 9 - 13 form part of these financial statements.

**STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2022**

		<b>31 December 2022</b>		<b>30 September 2022</b>	
	Notes	£	£	£	£
<b>Non-current assets</b>					
Investment property	6		1,631,847		1,678,675
<b>Current assets</b>					
Trade and other receivables	7	227,424		64,351	
<b>Current liabilities</b>					
Trade and other payables	8	(20,512)		(16,289)	
Taxation and social security		(15,082)		(27,406)	
		<u>(35,594)</u>		<u>(43,694)</u>	
<b>Net current asset/(liabilities)</b>			<u>191,830</u>		<u>20,657</u>
<b>Total assets less current liabilities</b>			<u>1,823,677</u>		<u>1,699,332</u>
<b>Equity</b>					
Called up share capital	9		100		100
Retained earnings	10		<u>1,823,577</u>		<u>1,699,232</u>
<b>Total equity</b>			<u>1,823,677</u>		<u>1,699,332</u>

For the period ended 31 December 2022, the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

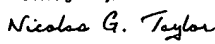
Directors responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the period in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the act with respect to accounting records and the preparation of financial statements.

The notes on pages 9 - 13 form part of these financial statements.

27/09/2023

The financial statements were approved by the board of directors and authorised for issue on .....and are signed on its behalf by:

DocuSigned by:  
  
 F566803C74DB4ED...

N Taylor  
 Director

**SDI (SOUTHPORT) LIMITED****STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 DECEMBER 2022**

	<b>Share capital £</b>	<b>Retained earnings £</b>	<b>Total £</b>
<b>Balance at 29 April 2021</b>	100	1,351,013	1,351,113
<b>Period ended 30 September 2022:</b>		348,219	348,219
Profit and total comprehensive income for the year	-		
<b>Balance at 30 September 2022</b>	<u>100</u>	<u>1,699,231</u>	<u>1,669,331</u>
<b>Period ended 31 December 2022:</b>			
Profit and total comprehensive income for the period	-	<u>124,346</u>	<u>124,346</u>
<b>Balance at 31 December 2022</b>	<u>100</u>	<u>1,823,577</u>	<u>1,823,677</u>



## SDI (SOUTHPORT) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

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#### 1. Accounting policies

##### Company information

SDI (Southport) Limited is a private company limited by shares incorporated in England and Wales. The registered office is 8 Sackville Street, London, W1S 3DG, England. The company's principal activities and nature of its operations are disclosed in the directors' report.

##### 1.1. Accounting convention

The financial statements have been prepared under the historical cost convention, in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £. These financial statements cover the period from 1 October to 31 December 2022 (2022: 18 months ended 30 September 2022).

As permitted by FRS 101 the company has taken advantage of that disclosure exemptions available under that standard in relation to presenting comparative information in respect of tangible assets, financial instruments, capital management, presentation of a cash flow statement, standards not yet effective and related party transactions with other wholly-owned members of the group.

The principal accounting policies adopted are set out below.

##### 1.2. Going concern

At the time of approving the financial statements, the directors have reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

##### 1.3. Revenue

Revenue represents amounts receivable for rents and charges, net of VAT. Rental income arising from operating leases on investment properties is recognised on a straight-line basis over the term of the lease.

##### 1.4. Investment properties

Investment property is property held to earn rentals or for capital appreciation or both. In accordance with the option offered by IAS 40, investment properties are accounted for at cost less depreciation and any impairment.

Cost includes expenditure that is directly attributable to the acquisition or construction of the asset. Subsequent costs are included in the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the company and the costs can be measured reliably.

All other costs, including repairs and maintenance costs, are charged to the statement of comprehensive income in the period in which they are incurred.

Depreciation is provided on investment property, other than freehold land and is calculated on a straight-line basis to allocate cost less assessed residual value, other than assets in the course of construction, over the estimated useful lives, as follows:

Investment property 15 years straight line

# SDI (SOUTHPORT) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2022

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### 1 Accounting policies (Continued)

#### 1.5. Fair value measurement

FRS 13 establishes a single source of guidance for all fair value measurements. FRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under FRS when fair value is required or permitted. The company is exempt under FRS 101 from the disclosure requirements of FRS 13. There was no impact on the company from the adoption of FRS 13.

#### 1.6. Financial assets

##### Trade and other receivables

Other receivables are recognised and carried at the lower of their original invoiced value and recoverable amount. Where the time value of money is material, receivables are carried at amortised cost.

#### 1.7. Financial liabilities

##### Trade and other payables

Trade and other payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method.

#### 1.8. Taxation

The tax expense represents the sum of the current tax expense.

##### Current tax

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

### 2 Critical accounting estimates and judgements

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, if the revision affects only that period: or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

#### Critical judgements

##### Impairment of non-current assets

The directors assess the impairment of tangible assets subject to amortization or depreciation whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Factors considered important that could trigger an impairment review include the following:

- Significant underperformance relative to historical or projected future operating results.
- Significant changes in the manner of the use of the acquired assets or strategy for the overall business; and
- Significant negative industry or economic trends.

##### Taxation

Management judgement is required to estimate the availability and allocation of tax losses within the group, based upon the level of taxable profits across the group.

## SDI (SOUTHPORT) LIMITED

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE PERIOD ENDED 31 DECEMBER 2022**


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**3 Revenue**

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

	3 months to 31 December 2022 £	18 months to 30 September 2022 £
Revenue analysed by class of business		
Rental income	160,138	694,048

**4 Operating profit/ (loss)**

	3 months to 31 December 2022 £	18 months to 30 September 2022 £
Operating profit) for the period is stated after charging:		
Depreciation of investment property	46,827	230,577

**5 Taxation**

	3 months to 31 December 2022 £	18 months to 30 September 2022 £
From 1 July 2022 the Group entered the UK REIT regime and as a result the Group and its subsidiaries have an effective tax rate of nil. The charge for the period can be reconciled to the profit/(loss) per the income statement as follows:		
Profit before taxation	110,942	365,002
Expected tax charge based on a corporation tax rate of 25.00% (2021:19%)	-	91,251
Effect of expenses not deductible in determining taxable profit		
Group relief	-	(155,169)
Depreciation on assets not qualifying for tax allowances	-	16,783
Adjustment for prior years	(13,404)	-
<b>Taxation (credit)/charge for the period</b>	<b>(13,404)</b>	<b>16,783</b>

## SDI (SOUTHPORT) LIMITED

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE PERIOD ENDED 31 DECEMBER 2022**


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**6 Investment property**

	31 December 2022 £	30 September 2022 £
<b>Cost</b>		
At start and end of period	<u>2,515,200</u>	<u>2,515,200</u>
<b>Accumulated depreciation</b>		
At start of period	836,525	605,948
Charge for the period	<u>46,827</u>	<u>230,577</u>
At end of period	<u>883,352</u>	<u>836,525</u>
<b>Carrying value</b>	<u>1,631,848</u>	<u>1,678,675</u>

**7 Trade and other receivables**

	31 December 2022 £	30 September 2022 £
Rent Receivable	5,068	64,351
Amounts owned by fellow group undertakings	221,191	-
Other receivables and prepayments	<u>1,175</u>	<u>-</u>
	<u>227,434</u>	<u>64,351</u>

**8 Trade and other payables**

	31 December 2022 £	30 September 2022 £
Trade payables	4,223	-
Other creditors and accruals	<u>16,289</u>	<u>16,289</u>
	<u>20,512</u>	<u>16,289</u>

## SDI (SOUTHPORT) LIMITED

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE PERIOD ENDED 31 DECEMBER 2022**


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**9 Share capital**

	31 December 2022 £	30 September 2022 £
<b>Ordinary share capital</b>		
<b>Issued and not fully paid</b>		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

**10 Retained earnings**

	31 December 2022 £	30 September 2022 £
At the beginning of the period	1,669,332	1,351,013
Profit/(loss) for the period	<u>124,345</u>	<u>348,219</u>
At end of period	<u><u>1,823,577</u></u>	<u><u>1,669,332</u></u>

**11 Staff costs**

No Director received any remuneration for services to the Company in the current period. The remuneration of the Directors was borne by another company, for which no apportionment or recharges were made. The value of this service was negligible. Average number of employees of the Company during the period was nil.

**12 Controlling party**

The immediate parent Company is RI UK 1 Limited, a Company incorporated in Jersey, Channel Islands. The ultimate parent and largest group in which the results of the Company are consolidated is that headed by Realty Income Corporation. The consolidated financial statements of these groups are available to the public and may be obtained from 11995 El Camino Real, San Diego, CA 92130.