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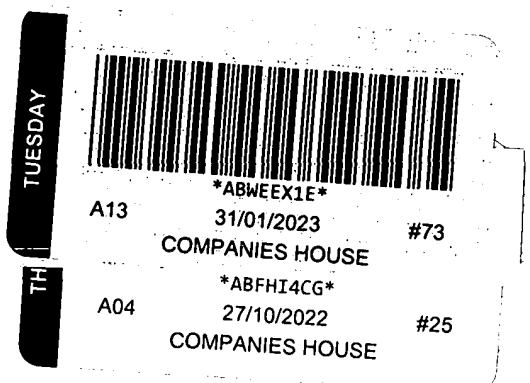
SUD Co Holdings 2 Limited

Annual Report and Unaudited

Financial Statements

Year Ended

31 March 2019



SUD Co Holdings 2 Limited

Company Information

Directors	CPCCD Limited J G Wilson R P Share B G A David
Company secretary	Cosign Limited
Registered number	61744 (Guernsey)
Registered office	P O Box 119 Martello Court Admiral Park St Peter Port Guernsey GY1 3HB
Accountants	BDO Limited Chartered Accountants Place du Pre Rue du Pre St Peter Port Guernsey

SUD Co Holdings 2 Limited

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SUD Co Holdings 2 Limited

Directors' Report For the Year Ended 31 March 2019

The directors present their report and the financial statements for the year ended 31 March 2019.

Directors' responsibilities statement

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and generally accepted accounting practice.

Company law applicable in Guernsey requires the directors to prepare financial statements for each financial year which 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 accounting policies for the company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for 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 to enable them to ensure that the financial statements comply with the Companies (Guernsey) Law, 2008. 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.

Principal activity

The principal activity of the company is investment holding.

Dividends paid

There were no dividends paid in the year under review (2018: £nil).

Results

The Statement of Income and Retained Earnings for the year is set out on page 4.

Going concern

The directors have prepared the financial statements on a going concern basis. The directors consider this to be appropriate as they have received assurances from the company's parent company to the effect that the parent company will continue to make funds available to the company for a period of at least twelve months from the approval of this report and will meet the company's obligations to other creditors as and when they fall due.

SUD Co Holdings 2 Limited

Directors' Report (continued)
For the Year Ended 31 March 2019

Directors

The directors who served during the year and to date were:

CPCCD Limited
J G Wilson
R P Share
B G A David

Unaudited status

The company is exempt from audit for the year ended 31 March 2019 in accordance with the Section 256 of the Companies (Guernsey) Law, 2008.

This report was approved by the Board and signed on its behalf.



.....
CPCCD Limited
Director

Date: 16/7/19

SUD Co Holdings 2 Limited

Chartered Accountants' Report to the Board of Directors on the Unaudited Financial Statements of SUD Co Holdings 2 Limited

In order to assist you to fulfil your duties under the Companies (Guernsey) Law, 2008, we have prepared for your approval the financial statements of SUD Co Holdings 2 Limited (the "Company") for the year ended 31 March 2019 which comprise the Statement of Income and Retained Earnings, the Statement of Financial Position and the related notes from the Company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants, we are subject to its ethical and other professional requirements <http://www.icaew.com/en/members/regulations-standards-and-guidance/>.

This report is made solely to the Board of Directors of the Company, as a body, in accordance with the terms of our engagement letter dated 13 June 2017. Our work has been undertaken solely to prepare for your approval the financial statements of the Company and state those matters that we have agreed to state to the Board Directors in this 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 its Board of Directors, as a body, for our work or for this report.

It is your duty to ensure that the Company has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company. You consider that the Company is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or review of the financial statements of the Company. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

BDO Limited
BDO Limited
Chartered Accountants
Place du Pre
Rue du Pre
St Peter Port
Guernsey

Date: **16 July 2019**

SUD Co Holdings 2 Limited

Statement of Income and Retained Earnings For the Year Ended 31 March 2019

	Note	2019 £	2018 £
Administrative expenses		(468,719)	(338,370)
Operating loss		<u>(468,719)</u>	<u>(338,370)</u>
Tax on loss	3	-	-
Loss after tax		<u><u>(468,719)</u></u>	<u><u>(338,370)</u></u>
Retained earnings at the beginning of the year		(338,370)	-
Loss for the year		(468,719)	(338,370)
Retained earnings at the end of the year		<u><u>(807,089)</u></u>	<u><u>(338,370)</u></u>
All of the amounts included above relate to continuing activities.			

The notes on pages 6 to 10 form part of these financial statements.

SUD Co Holdings 2 Limited
Registration number: 61744 (Guernsey)

Statement of Financial Position
As at 31 March 2019

	Note	2019 £	2019 £	2018 £	2018 £
Fixed assets					
Investments in subsidiary undertakings	4		4		4
Current assets					
Debtors	5	94,000		94,000	
Creditors: amounts falling due within one year	6	(807,093)		(338,374)	
Net current liabilities			(713,093)		(244,374)
Net liabilities			(713,089)		(244,370)
Capital and reserves					
Share capital	7		94,000		94,000
Profit and loss account			(807,089)		(338,370)
Total equity			(713,089)		(244,370)

These financial statements have been prepared in accordance with the provisions of FRS 102 Section 1A - Small Entities.

The directors consider that the company is entitled to exemption from audit under section 256 of the Companies (Guernsey) Law, 2008 (the "Law") and members have not required the company to obtain an audit for the year in question in accordance with section 256(3) of the Law.

The directors acknowledge their responsibilities for complying with the requirements of the Law with respect to accounting records and the preparation of financial statements.

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



CPCCD Limited
Director

Date: 16/7/19

The notes on pages 6 to 10 form part of these financial statements.

SUD Co Holdings 2 Limited

Notes to the Financial Statements For the Year Ended 31 March 2019

1. General information

SUD Co Holdings 2 Limited is a private company, limited by shares and registered in Guernsey under the Companies (Guernsey) Law, 2008 and was incorporated on 16 March 2016. The address of the registered office is given on the Company Information page and its principal activity is investment holding.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") and the Companies (Guernsey) Law, 2008.

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.

These financial statements present information about the parent company and not its group. The company has taken advantage of the exemption in section 9.3(c) of FRS 102, 'Consolidated and separate financial statements' to not prepare consolidated financial statements on the basis that the company and its group qualify as small.

The following principal accounting policies have been consistently applied:

2.2 Going concern

The directors have prepared the financial statements on a going concern basis. The directors consider this to be appropriate as they have received assurances from the company's parent company to the effect that the parent company will continue to make funds available to the company for a period of at least twelve months from the approval of these financial statements and will meet the company's obligations to other creditors as and when they fall due.

2.3 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities including investments and amounts due from and due to group companies.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position 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.

2.4 Investments in subsidiary undertakings

Investments in undertakings companies are stated at cost, less where appropriate, provisions for impairment.

Investments are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income. The impairment loss is measured as the difference between the carrying amount of the investment and the best estimate of its recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be disposed of at the reporting date.

SUD Co Holdings 2 Limited

Notes to the Financial Statements For the Year Ended 31 March 2019

2. Accounting policies (continued)

2.5 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.6 Creditors

Short term creditors are measured at the transaction price.

2.7 Taxation

Tax is recognised in the Statement of Income and Retained Earnings, except that a charge attributable to an item of income and expense recognised directly in equity is also recognised directly in equity.

The current tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting 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 Statement of Financial Position date, except that the recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.8 Profit and loss account

The profit and loss account represents cumulative profits and losses, net of dividends and other adjustments.

3. Taxation

	2019 £	2018 £
Current tax on loss for the year	-	-

SUD Co Holdings 2 Limited

Notes to the Financial Statements For the Year Ended 31 March 2019

3. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is different from the standard rate of corporation tax of 19% in the UK (2018: 19%). The differences are explained below:

	2019 £	2018 £
Loss on ordinary activities before tax	(468,719)	(338,370)
Loss multiplied by standard rate of corporation tax of 19% (2018: 19%)	(89,057)	(64,290)
Effects of:		
Expenses not deductible for tax purposes	89,057	-
Adjustments to brought forward values	64,290	-
Deferred tax not recognised	(64,290)	57,523
Difference in deferred tax rate	-	6,767
Total tax charge for the year	-	-

Factors that may affect future tax charges

The UK corporation tax main rate will reduce to 17% with effect from 1 April 2020.

4. Investments in subsidiary undertakings

	£
At cost	
At 1 April 2018 at at 31 March 2019	4

SUD Co Holdings 2 Limited

Notes to the Financial Statements For the Year Ended 31 March 2019

4. Investments in subsidiary undertakings (continued)

The following were wholly owned subsidiary undertakings of the company:

Direct subsidiary undertakings

Name	Country of incorporation	Principal activity
SUD Co Holdings 2 IN Limited	Guernsey	Investment holding
SUD Co Holdings 2 OUT Limited	Guernsey	Investment holding

Indirect Subsidiary undertakings

Name	Country of incorporation	Principal activity
Holland Park Villas Limited	England and Wales	Property trading and development
1 Chester Gate Limited	Guernsey	Property trading and development
2 Chester Gate Limited	Guernsey	Property trading and development
Cambridge Terrace Limited	Guernsey	Investment holding
SUD Cambridge Terrace Limited	Guernsey	Investment holding
6-10 Cambridge Terrace Developments LLP	England and Wales	Property trading and development

The aggregate of the share capital and reserves as at 31 March 2019 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	Aggregate of share capital and reserves £	Profit/(loss) £
SUD Co Holdings 2 IN Limited	(187,434)	115,954
SUD Co Holdings 2 OUT Limited	2	-
Holland Park Villas Limited	6,226,545	(196,288)
1 Chester Gate Limited	104,827,630	(1,295,747)
2 Chester Gate Limited	1,859,411	(38,556)
Cambridge Terrace Limited	2	-
SUD Cambridge Terrace Limited	2	-
6-10 Cambridge Terrace Developments LLP	80,150,434	(804,200)
	<u>192,876,592</u>	<u>(2,218,837)</u>

5. Debtors

	2019 £	2018 £
Amount due from parent company	94,000	94,000

The amount due from CPC Group Limited, the parent company, is unsecured, interest free and repayable on demand.

SUD Co Holdings 2 Limited

Notes to the Financial Statements For the Year Ended 31 March 2019

6. Creditors: amounts falling due within one year

	2019 £	2018 £
Accruals	807,089	338,370
Amounts due to subsidiary companies	4	4
	<u>807,093</u>	<u>338,374</u>

The amounts due to the subsidiary companies are unsecured, interest free and repayable on demand.

7. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
94,000 ordinary A shares of £1 each	<u>94,000</u>	<u>94,000</u>

8. Related party transactions

In the preparation of these financial statements the directors have taken advantage of the exemption under FRS 102 and have not disclosed the details of related party transactions with entities that are part of the SUD Co Holdings 2 Limited group as they are all wholly owned subsidiaries.

The terms and amount due from the parent company at the year end are set out in note 6. The terms and amounts due to subsidiary companies at the year end are set out in note 7.

Included in administrative expenses is a gain of £468,719 (2018: expense £338,370) arising from the re-estimation of amounts due to a director of the company under a shareholder agreement. The liability under the shareholder agreement included in other creditors at the year-end was £807,089 (2018: £338,370) (note 7)

9. Controlling party

The smallest group in which the results of the company are consolidated is headed by CPC Group Limited, a company registered in Guernsey which is the company's parent company and controlling party. The address of the registered office of the controlling party is Martello Court, Admiral Park, St Peter Port, Guernsey, GY1 3HB.

The parent company is under the control of Mr. C P Candy, who is therefore considered by the directors to be the ultimate controlling party of the company.

SUD CO HOLDINGS 2 LIMITED

PO Box 119
Martello Court
Admiral Park
St Peter Port
Guernsey
GY1 3HB

BDO Limited
P O Box 180
Place du Pre
Rue du Pre
St Peter Port
Guernsey
GY1 3LL

Dear Sirs

Financial Statements of SUD Co Holdings 2 Limited for the year ended 31 March 2019

We confirm that the following representations given to you in connection with your audit of the financial statements of SUD Co Holdings 2 Limited (the "Company") for the year ended 31 March 2019 are made to the best of our knowledge and belief, and after having made appropriate enquiries of other directors and officials of the Company.

We have fulfilled our responsibilities as directors for the preparation and presentation of the financial statements as set out in the terms of the audit engagement letter, and in particular that the financial statements give a true and fair view of the financial position of the Company as of 31 March 2019 and of the results of its operations and cash flows for the year then ended in accordance with United Kingdom Accounting Standards, including Section 1A of Financial Reporting Standard 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"), applicable to small entities and for making accurate representations to you.

We have provided you with unrestricted access to persons within the Company from whom you determined it necessary to obtain audit evidence. In addition, all the accounting records have been made available to you for the purpose of your audit and all the transactions undertaken by the Company have been properly reflected and recorded in the accounting records. All other records and related information, including minutes of all management and shareholders' meetings have been made available to you.

In relation to those laws and regulations which provide the legal framework within which our business is conducted and which are central to our ability to conduct our business, we have disclosed to you all instances of possible non-compliance of which we are aware and all actual or contingent consequences arising from such instances of non-compliance.

There have been no events since the balance sheet date which either require changes to be made to the figures included in the financial statements or to be disclosed by way of a note. Should any material events of this type occur, we will advise you accordingly.

We are responsible for adopting sound accounting policies, designing, implementing and maintaining internal control, to, among other things, help assure the preparation of the financial statements in conformity with FRS 102 and preventing and detecting fraud and error.

We have considered the risk that the financial statements may be materially misstated due to fraud and have identified no significant risks.

To the best of our knowledge we are not aware of any fraud or suspected fraud involving management or employees. Additionally, we are not aware of any fraud or suspected fraud involving any other party that could materially affect the financial statements.

To the best of our knowledge we are not aware of any allegations of fraud or suspected fraud affecting the financial statements that have been communicated by employees, former employees, analysts, regulators or any other party.

There were no loans, transactions or arrangements between the Company and its directors and their connected persons at any time in the year which were required to be disclosed.

We have disclosed to you the identity of all related parties and all the related party relationships and transactions of which we are aware. We have appropriately accounted for and disclosed such relationships and transactions in accordance with the requirements of FRS 102.

The disclosures in the financial statements concerning the controlling and ultimate controlling party of the business are accurate.

We have no plans or intentions that may materially affect the carrying value or classification of assets or liabilities reflected in the financial statements.

We consider that the Company is able to continue to operate as a going concern and that it is appropriate to prepare the financial statements on a going concern basis. Furthermore, we confirm that the disclosures included in to the financial statements are sufficient.

We confirm that the financial statements are free of material misstatements, including omissions.

We perform regular reviews of the Company's subsidiary investments for indications of impairment. The key judgment in these reviews includes estimating the net realisable value of the development property in the subsidiary undertakings, which was determined by forecast sales rates, expected sales prices and estimated costs to complete based on advice received by the directors. If the UK housing market were to change beyond management expectations in the future, in particular with regards to the assumptions around sales prices and estimated costs to complete, adjustments would need to be made to the carrying value of the underlying development property. The directors confirm based on these reviews that there are no indicators of impairment of the investments.

We confirm that we believe the amount due from related parties, which is unsecured, interest free and repayable on demand, is fully recoverable.

We acknowledge our legal responsibilities regarding disclosure of information to you as auditor and confirm that so far as we are aware, there is no relevant audit information needed by you in connection with preparing your audit report of which you are unaware. Each director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that you are aware of that information.

We confirm that the above representations are made on the basis of enquiries of management and staff with relevant knowledge and experience (and, where appropriate, of inspection of supporting documentation) sufficient to satisfy ourselves that we can properly make each of the above representations to you.

Yours faithfully



Authorised Signatory
For CPCCD LIMITED
Corporate Director

(Signed on behalf of the Board of Directors)

Date: 16/7/19