

REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021
FOR
SGDN LIMITED

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Page
Company Information	1
Report of the Directors	2
Report of the Independent Auditors	4
Statement of Comprehensive Income	7
Balance Sheet	8
Statement of Changes in Equity	9
Notes to the Financial Statements	10

SGDN LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2021

DIRECTORS:

A R Harle
T E J Jones
A D Neal

SECRETARY:

Ms C L Cox

REGISTERED OFFICE:

Stuart House
City Road
Peterborough
PE1 1QF

REGISTERED NUMBER:

04565701 (England and Wales)

AUDITORS:

Martin and Company Audit Limited
Chartered Accountants
and Statutory Auditors
25 St Thomas Street
Winchester
Hampshire
SO23 9HJ

BANKERS:

Barclays Bank PLC
1 Churchill Place
Leicester
LE87 2BB

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their report with the financial statements of the company for the year ended 31 December 2021.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2021 to the date of this report.

A R Harle
T E J Jones
A D Neal

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

Martin and Company Audit Limited were appointed as the Company's auditors during the year and will be proposed for re-appointment at the forthcoming Annual General Meeting.

SGDN LIMITED (REGISTERED NUMBER: 04565701)

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2021

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:

A D Neal - Director

23 November 2022

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SGDN LIMITED

Opinion

We have audited the financial statements of SGDN Limited (the 'company') for the year ended 31 December 2021 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, 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 company's affairs as at 31 December 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 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 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 directors' 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 of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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 this gives rise to 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 this 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SGDN LIMITED

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 Report of the Directors.

We have nothing to report in respect of the following matters where 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 take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page two, 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 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.

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 a Report of the Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory framework applicable to the company via discussions with the directors and our previous knowledge of the company. This identified that the most significant laws and regulations relate to the form and content of the financial statements such as the UK Companies Act 2006 and Financial Reporting Standard 102. The company complies with these laws and regulations by using appropriately qualified professionals to prepare the financial statements.

As part of our planning process we assessed susceptibility of the company's financial statements to material misstatements, including how fraud might occur by making an assessment of the key risks. The key risks identified in respect of SGDN Limited are revenue recognition, management override and in the current environment whether the company remains a going concern. The directors confirmed no actual, suspected or alleged cases of fraud.

Based on this assessment we designed our audit procedures to address these key risk areas with an emphasis on testing sales cut off and testing controls in place in respect of sales and those areas susceptible to management override including testing manual journals and making enquiries of management.

Going concern was reviewed by assessing the company's available financial resources and accuracy of cash flow forecasting as well as enquiries of management.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
SGDN LIMITED

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 a Report of the Auditors 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.

James Angus Burnett (Senior Statutory Auditor)
for and on behalf of Martin and Company Audit Limited
Chartered Accountants
and Statutory Auditors
25 St Thomas Street
Winchester
Hampshire
SO23 9HJ

1 December 2022

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021**

		31.12.21	31.12.20
	Notes	£	£
TURNOVER	3	814,248	1,091,189
Cost of sales		<u>728,501</u>	<u>1,010,484</u>
GROSS PROFIT		85,747	80,705
Administrative expenses		<u>85,747</u>	<u>90,049</u>
OPERATING LOSS and LOSS BEFORE TAXATION		-	(9,344)
Tax on loss	6	<u>-</u>	<u>-</u>
LOSS FOR THE FINANCIAL YEAR		-	(9,344)
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u><u>-</u></u>	<u><u>(9,344)</u></u>

The notes form part of these financial statements

BALANCE SHEET
31 DECEMBER 2021

		31.12.21	31.12.20
	Notes	£	£
CURRENT ASSETS			
Debtors	7	67,429	150,045
Cash at bank		68,038	51,353
		135,467	201,398
CREDITORS			
Amounts falling due within one year	8	114,386	180,317
NET CURRENT ASSETS		21,081	21,081
TOTAL ASSETS LESS CURRENT LIABILITIES		21,081	21,081
CAPITAL AND RESERVES			
Called up share capital	10	3,000	3,000
Retained earnings	11	18,081	18,081
SHAREHOLDERS' FUNDS		21,081	21,081

The financial statements were approved by the Board of Directors and authorised for issue on 23 November 2022 and were signed on its behalf by:

A D Neal - Director

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2020	3,000	27,425	30,425
Changes in equity			
Total comprehensive income	-	(9,344)	(9,344)
Balance at 31 December 2020	<u>3,000</u>	<u>18,081</u>	<u>21,081</u>
Changes in equity			
Balance at 31 December 2021	<u>3,000</u>	<u>18,081</u>	<u>21,081</u>

The notes form part of these financial statements

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

1. STATUTORY INFORMATION

SGDN Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

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 £.

Financial Reporting Standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemption in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion, when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

2. ACCOUNTING POLICIES - continued

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its Financial Instruments.

Financial Instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, where there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interests method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans and loans from fellow group companies are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**2. ACCOUNTING POLICIES - continued****Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Going concern

The income stream of the company is expected to cease in the financial year ended 31 December 2023. The financial statements have been prepared on the going concern basis with the view that they would not be materially altered if this was not the case.

3. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by class of business is given below:

	31.12.21	31.12.20
	£	£
Estate management services	<u>814,248</u>	<u>1,091,189</u>
	<u>814,248</u>	<u>1,091,189</u>

An analysis of turnover by geographical market is given below:

	31.12.21	31.12.20
	£	£
United Kingdom	<u>814,248</u>	<u>1,091,189</u>
	<u>814,248</u>	<u>1,091,189</u>

4. EMPLOYEES AND DIRECTORS

	31.12.21	31.12.20
	£	£
Wages and salaries	<u>21,743</u>	<u>21,200</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**4. EMPLOYEES AND DIRECTORS - continued**

The average number of employees during the year was as follows:

	31.12.21	31.12.20
Directors	<u>3</u>	<u>3</u>
	31.12.21	31.12.20
	£	£
Directors' remuneration	<u>21,743</u>	<u>21,200</u>

5. OPERATING LOSS

The operating loss is stated after charging:

	31.12.21	31.12.20
	£	£
Auditors' remuneration	<u>1,250</u>	<u>2,750</u>

6. TAXATION**Analysis of the tax charge**

No liability to UK corporation tax arose for the year ended 31 December 2021 nor for the year ended 31 December 2020.

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is the same as the standard rate of corporation tax in the UK.

	31.12.21	31.12.20
	£	£
Loss before tax	<u>-</u>	<u>(9,344)</u>
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	-	(1,775)
Effects of:		
Unutilised tax losses carried forward	<u>-</u>	<u>1,775</u>
Total tax charge	<u>-</u>	<u>-</u>

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.21	31.12.20
	£	£
Trade debtors	-	82,236
VAT	-	380
Prepayments and accrued income	<u>67,429</u>	<u>67,429</u>
	<u>67,429</u>	<u>150,045</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.12.21	31.12.20
	£	£
Trade creditors	80,047	157,329
VAT	1,628	-
Accrued expenses	32,711	22,988
	<u>114,386</u>	<u>180,317</u>

9. FINANCIAL INSTRUMENTS

The carrying amount of financial assets as at 31st December 2021 is £Nil (2020: £82,236) and are all made up of debt instruments measured at amortised cost.

The carrying amount of financial liabilities as at 31st December 2021 is £80,047 (2020: £157,329) and are all made up of financial liabilities measured at amortised cost.

10. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.12.21	31.12.20
			£	£
3,000	Ordinary	1	<u>3,000</u>	<u>3,000</u>

Each share is entitled to one vote in any circumstances and equal entitlement to dividend payments and capital distributions. They do not confer any rights of redemption.

11. RESERVES

	Retained earnings
	£
At 1 January 2021	18,081
Profit for the year	-
At 31 December 2021	<u>18,081</u>

12. RELATED PARTY DISCLOSURES

The company engaged in transactions with Savills (UK) Limited which is a related party as it owns 51% of the issued share capital of the company and it is considered to be the parent entity. The registered office of Savills (UK) Limited is 33 Margaret Street, London W1G 0JD.

The nature of the transactions was the purchase of services which totalled £639,073 (2020: £912,954). The amount due to Savills (UK) Limited, included within trade creditors as trading balances, was £70,324 (2020: £138,745).

The company also engaged in transactions with Carter Jonas LLP which is a related party because the partners in Carter Jonas LLP own 49% of the issued share capital of the company.

The nature of the transactions was the purchase of services which totalled £89,428 (2020: £97,530). The amount due to Carter Jonas LLP, included within trade creditors as trading balances, was £8,631 (2020: £18,584).

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

During the year, a total of £19,243 (2020 - £19,200) was paid to Savills (UK) Limited and £2,500 (2020 - £2,000) was paid to Carter Jonas LLP in respect of fees for Directors' services.

13. POST BALANCE SHEET EVENTS

The income stream of the company is expected to cease in the financial year ended 31 December 2023. The financial statements have been prepared on the going concern basis with the view that they would not be materially altered if this was not the case.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.