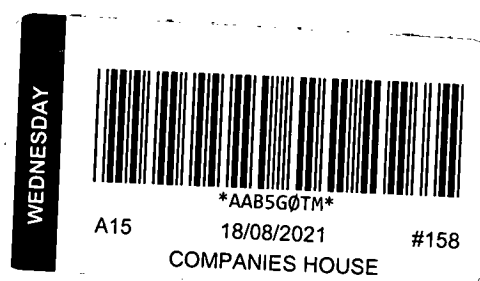


Sewell Group Limited

Annual report and financial statements  
for the year ended 31 December 2020

Registered Number 03914317



# **Sewell Group Limited**

## **Annual report and financial statements for the year ended 31 December 2020**

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# **Sewell Group Limited**

## **Strategic report for the year ended 31 December 2020**

The directors present their strategic report on the Company for the year ended 31 December 2020.

### **Review of the business**

The Company is used as a holding company. It carries the central overheads of the Estates side of the Group and then recharges them out to the subsidiary undertakings.

### **Future developments**

It is anticipated that the Company will continue to perform this role of managing central overheads for the foreseeable future.

### **Principal risks and uncertainties**

Given the nature of the Company's operations then the management of the business and the execution of the Company's strategy are subject to minimal risks.

### **Key performance indicators (KPI's)**

The size and the nature of the business mean that directors do not feel that the disclosure of additional KPI's is necessary to understand the performance of the business and development of the Company.

### **S172 Statement**

S172 of the Companies Act 2006 requires the directors of the Company to act in a way most likely to promote the success of the Company and in doing so must have regard to:

- likely long term consequences of any decisions;
- interests of employees;
- business relationships with suppliers, customers and other;
- impact on the community and environment;
- reputation for high standards of business conduct; and
- act fairly between members of the Company.

To keep its business strategy in balance and reflective of these factors, the Company uses 'The Sewell Compass'. The Compass has the following four areas and is reviewed on a regular basis to ensure all areas are receiving equal attention:

- (i) People - Our people will be talented, cared for and unleashed. We will have a special culture and living our behaviours is non-negotiable.
- (ii) Customers - Our customers are our reason for being, they inform all we do. Raving fan customers are our best sales people.
- (iii) Social value - Our social value impact should be distinctive, humble and create a long-term legacy. We should act for the collective benefit of our people, the communities we serve and the wider environment.
- (iv) Performance - Our performance needs to be superior and sustained. It must recognise not just short term financial returns but business risks, operational efficiencies and never being wasteful.

The Sewell Compass really came to the fore during 2020. The unprecedented challenges faced by the Company due to Covid-19 meant that the safety and wellbeing of our people became the major priority whilst ensuring the business continued to deliver a seamless service for its customers. Feedback suggests that we managed to get this balance right and that the business also went above and beyond to support the local communities it serves.

# **Sewell Group Limited**

## **Strategic report for the year ended 31 December 2020 (continued)**

### **Carbon reporting**

The Company is exempted from carbon reporting disclosures as they are covered by their parent Sewell Ventures Limited's group report.

This report was approved by the board of directors on 12 August 2021 and signed on behalf of the board by:

A handwritten signature in black ink, appearing to read 'P E Sewell', is written over a faint, circular stamp or watermark.

**P E Sewell**  
Director

# **Sewell Group Limited**

## **Directors' report for the year ended 31 December 2020**

The directors present their annual report and the audited financial statements of the Company for the year ended 31 December 2020.

### **Principal activities**

The Company's principal activity during the year was that of a holding company.

### **Matters of strategic importance**

The future developments details that are required by Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 have been included in the separate Strategic Report in accordance with Section 414C(11) of the Companies Act 2006.

### **Results and dividends**

The Company's profit for the financial year ended 31 December 2020 was £452,780 (2019: £459,388).

The directors consider the result for the financial year and the future prospects of the company to be good.

A dividend of £451,000 (2019: £522,500) was paid in the year. The directors do not recommend the payment of a final dividend in respect of the year ended 31 December 2020 (2019: £Nil). As at year end, the company was in a net asset position of £1,362,212 (2019: £1,360,432)

### **Directors**

The directors who held office during the year and up to the date of the signing of this report are given below:

SJ Davison

PE Sewell

DA Leedham

RA Cawkwell (resigned 30 June 2021)

MJ Stead

JL Barnes

### **Director indemnities**

Qualifying third party indemnity provisions as defined by Section 234 of the Companies Act were in place throughout the year.

# **Sewell Group Limited**

## **Directors' report for the year ended 31 December 2020 (continued)**

### **Statement of directors' responsibilities**

The directors are responsible for preparing the Annual report including a Strategic report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), 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; 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 enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Statement of disclosure of information to auditors**

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have 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 the company's auditors are aware of that information.

### **Covid-19**

During the year there has been a global Covid-19 pandemic which has impacted on all areas and sectors. Due to the nature of the business, the pandemic had minimal impact on the Company's ability to continue to operate during the financial year 2020.

# **Sewell Group Limited**

## **Directors' report for the year ended 31 December 2020 (continued)**

### **Independent auditors**

Under section 487(2) of the Companies Act 2006, RSM UK Audit LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the financial statements with the registrar, whichever is earlier.

This report was approved by the board of directors on 12 August 2021 and signed on behalf of the board by:



**P E Sewell**  
Director

# Independent auditors' report to the members of Sewell Group Limited

## Opinion

We have audited the financial statements of Sewell Group Limited (the 'company') for the year ended 31 December 2020 which comprise income statement, statement of financial position, statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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. 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 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 contained within the annual report. 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.

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 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.



# **Independent auditors' report to the members of Sewell Group Limited (continued)**

## **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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

## **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or 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.

## **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.

## **The extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud; the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

# Independent auditors' report to the members of Sewell Group Limited (continued)

## The extent to which the audit was considered capable of detecting irregularities, including fraud (continued)

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, inspecting correspondence with local tax authorities and evaluating advice received from external tax advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to health and safety. We performed audit procedures to inquire of management whether the company is in compliance with these laws and regulations, reviewed Board minutes and requested sight of any other relevant correspondence in order to draw a conclusion.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to;

- testing manual journal entries and other adjustments and evaluating the business rationale,
- challenging judgements and estimates made by management in relation to significant, unusual transactions and transactions entered into outside the normal course of business.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://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.

RSM UK Audit LLP

Richard Lewis (Senior Statutory Auditor)  
For and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
Two Humber Quays  
Wellington Street West  
Hull  
HU1 2BN

16 August 2021

# Sewell Group Limited

## Income statement for the year ended 31 December 2020

		2020	2019
	Note	£	£
<b>Turnover</b>		<b>2,248,164</b>	1,806,951
<b>Gross income</b>		<b>2,248,164</b>	1,806,951
Administrative expenses		(1,733,708)	(1,389,509)
<b>Operating profit</b>	3	<b>514,456</b>	417,442
Interest payable and similar expenses	6	(6,456)	(8,942)
<b>Profit before taxation</b>		<b>508,000</b>	408,500
Tax on profit	7	(55,220)	50,888
<b>Profit for the financial year</b>		<b>452,780</b>	459,388

All of the above results are derived from continuing operations.

There is no other comprehensive income for the financial year.

# Sewell Group Limited

## Statement of financial position as at 31 December 2020

	Note	31 December 2020 £	31 December 2019 £
<b>Fixed assets</b>			
Tangible assets	9	2,206,007	1,787,535
Investments	10	2,666,342	2,666,342
		<b>4,872,349</b>	<b>4,453,877</b>
<b>Current assets</b>			
Debtors: amounts falling due within one year	11	12,371,582	12,956,841
Cash at bank and in hand		64,615	95,270
		<b>12,436,197</b>	<b>13,052,111</b>
<b>Creditors: amounts falling due within one year</b>	12	<b>(15,944,248)</b>	<b>(16,141,408)</b>
<b>Net current liabilities</b>		<b>(3,508,051)</b>	<b>(3,089,297)</b>
Deferred tax	14	(2,086)	(4,148)
<b>Net assets</b>		<b>1,362,212</b>	<b>1,360,432</b>
<b>Capital and reserves</b>			
Called up share capital	13	58,002	58,002
Share premium account		198,864	198,864
Merger reserve		1,101,944	1,101,944
Profit and loss account		3,402	1,622
		<b>1,362,212</b>	<b>1,360,432</b>

The financial statements on pages 9 to 26 were approved by the board of directors and authorised for issue on 12 August 2021 and were signed on its behalf by:



**P E Sewell**  
Director

Registered number 03914317

# Sewell Group Limited

## Statement of changes in equity for the year ended 31 December 2020

	Called up share capital £	Share premium account £	Merger reserve £	Profit and loss account £	Total £
<b>Balance as at 1 January 2019</b>	<b>58,002</b>	<b>198,864</b>	<b>1,101,944</b>	<b>64,734</b>	<b>1,423,544</b>
Profit for the financial year	-	-	-	459,388	459,388
Total comprehensive income for the year	-	-	-	459,388	459,388
Transactions with owners:					
Dividends (note 8)	-	-	-	(522,500)	(522,500)
Total transactions with owners in their capacity as owners	-	-	-	(522,500)	(522,500)
<b>Balance as at 31 December 2019</b>	<b>58,002</b>	<b>198,864</b>	<b>1,101,944</b>	<b>1,622</b>	<b>1,360,432</b>
Profit for the financial year	-	-	-	452,780	452,780
Total comprehensive income for the year	-	-	-	452,780	452,780
Transactions with owners:					
Dividends (note 8)	-	-	-	(451,000)	(451,000)
Total transactions with owners in their capacity as owners	-	-	-	(451,000)	(451,000)
<b>Balance as at 31 December 2020</b>	<b>58,002</b>	<b>198,864</b>	<b>1,101,944</b>	<b>3,402</b>	<b>1,362,212</b>

# **Sewell Group Limited**

## **Notes to the financial statements for the year ended 31 December 2020**

### **1 Accounting policies**

#### **General information**

Sewell Group Limited ('the Company') operates as an intermediate holding company. It also carries the central overheads of the Estates side of the Group and then recharges them out to the subsidiary undertakings.

The Company is a private company limited by shares and is incorporated in the United Kingdom. The address of its registered office is Geneva Way, Leads Road, Hull, HU7 0DG.

#### **Basis of accounting**

The individual financial statements of Sewell Group Limited have been prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

#### **Summary of significant accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### **Basis of preparation**

These financial statements are prepared on the going concern basis, in accordance with applicable UK Accounting Standards, under the historical cost convention.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in policy "Critical judgements and estimates in applying the accounting policies" below.

#### **Going concern**

The Company meets its day-to-day working capital requirements through its bank facilities. The Covid-19 pandemic has had minimal impact on the Company's ability to trade. The Company has prepared forecasts up to 31 December 2023 based upon what it considers to be worst case. After considering these forecasts, the directors are of the opinion they have enough resources to cover expected expenses to 31 December 2023. As such the directors consider that the Company has adequate resources to continue in operational existence for the period of the forecasts to 31 December 2023 and believe it is appropriate to continue to adopt the going concern basis of accounting in preparing the financial statements.

# **Sewell Group Limited**

## **Notes to the financial statements for the year ended 31 December 2020 (continued)**

### **1 Accounting policies (continued)**

#### **Exemptions for qualifying entities under FRS 102**

FRS 102 allows a qualifying entity certain disclosure exemptions, if certain conditions, have been complied with, including notification of and no objection to, the use of exemptions by the Company's shareholders. A qualifying entity is defined as a member of a group that prepares publicly available financial statements, which give a true and fair view, in which that member is consolidated.

As a qualifying entity, the Company has taken advantage of the following exemptions:

- (i) from the requirement to prepare a statement of cash flows as required by paragraph 3.17(d) of FRS 102;
- (ii) from the requirement to present a reconciliation of the number of shares outstanding at the beginning and end of the period as required by paragraph 4.12(a)(iv) of FRS 102.

#### **Consolidation**

The Company is a subsidiary of Sewell Ventures Limited and is included in the consolidated financial statements of Sewell Ventures Limited which are publicly available. Consequently, the company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 400 of the Companies Act 2006.

#### **Functional and presentational currency**

- (i) Functional and presentation currency

The Company's financial statements are presented in pound Sterling.

The Company's functional and presentation currency is the pound Sterling.

- (ii) Transactions and balances

The company had had no foreign currency transactions or balances.

#### **Turnover**

Turnover is measured at the fair value of the consideration received or receivable and represents the amount receivable for services rendered, net of returns and discounts, allowed by the Company and value added taxes.

#### **Employee benefits**

The Company provides a range of benefits to employees, including holiday arrangements and defined contribution pension plans.

- (i) **Short term benefits**

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

- (ii) **Defined contribution pension plans**

A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations. Contributions are made to a Group Personal Pension Plan on behalf of certain employees and to a defined contribution scheme in respect of certain directors. The assets of the funds are held separately from those of the Company in independently administered funds. The charge to the income statement represents contributions payable by the Company to the funds. The pension cost charge for the year is disclosed as 'Other pension costs' in note 5.

# Sewell Group Limited

## Notes to the financial statements for the year ended 31 December 2020 (continued)

### 1 Accounting policies (continued)

#### Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively

Current or deferred taxation assets and liabilities are not discounted.

#### (i) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

#### (ii) Deferred taxation

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These 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 recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

#### Impairment of non-financial assets

At each reporting date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset (or asset's cash generating unit) may be impaired. If there is such an indication the recoverable amount of the asset (or asset's cash generating unit) is compared to the carrying amount of the asset (or asset's cash generating unit).

The recoverable amount of the asset (or asset's cash generating unit) is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's (or asset's cash generating unit) continued use. These cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset (or asset's cash generating unit) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the income statement.

If an impairment loss is subsequently reversed, the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the income statement.



# Sewell Group Limited

## Notes to the financial statements for the year ended 31 December 2020 (continued)

### 1 Accounting policies (continued)

#### Cash and cash equivalents

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

#### Financial liabilities and equity

Financial instruments are classified as liabilities and equity instruments 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.

#### Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use.

#### Depreciation

Freehold land is not depreciated. Depreciation on other assets is calculated, using the straight-line method, to allocate the depreciable amount to their residual values over their estimated useful lives, as follows:

Plant and equipment	3-5 years
Freehold buildings	50 years

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period.

#### Investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. Interests in subsidiaries, associates and jointly controlled entities are assessed for impairment at each reporting date. Any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

#### Financial instruments

The Company has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

##### (i) Financial assets

Basic financial assets, including trade and other debtors and amounts owed by Group undertakings are initially recognised at transaction price, 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.

Such assets are subsequently carried at amortised cost using the effective interest method.

# **Sewell Group Limited**

## **Notes to the financial statements for the year ended 31 December 2020 (continued)**

### **1 Accounting policies (continued)**

#### **Financial instruments (continued)**

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the income statement.

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the income statement. Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

#### **(ii) Financial liabilities**

Basic financial liabilities, including trade and other creditors and amounts owed to Group undertakings 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 receipts discounted at a market rate of interest.

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

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

#### **(iii) Offsetting**

Financial assets and liabilities are offset and the net amounts presented in the financial statements 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 to liability simultaneously.

#### **Critical judgements and estimates in applying the accounting policies**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, revenue and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Management are of the opinion that no critical accounting estimates or judgements have been made in the preparation of these financial statements.

# Sewell Group Limited

## Notes to the financial statements for the year ended 31 December 2020 (continued)

### 2 Turnover

Turnover is generated from the principal activity of the company. All turnover arose within the United Kingdom.

### 3 Operating profit

	2020 £	2019 £
<b>Operating profit is stated after charging:</b>		
Depreciation of tangible assets	159,224	151,516

Auditors' remuneration of £5,000 (2019 - £5,000) was borne by the parent undertaking.

### 4 Directors' remuneration

	2020 £	2019 £ (Restated)
Aggregate remuneration	107,806	109,836

One director has benefits accruing under a defined contribution pension scheme (2019: 1). Contributions of £1,313 (2019: £1,189) were payable by the Company during the year.

The company issues share appreciation rights under a long term incentive scheme to certain employee's.

In addition to the above directors' remuneration, the company incurred costs in relation to the long term incentive scheme amounting to £478,000 (2019: £119,000). At 31 December 2020 the company has recorded liabilities of £597,000 (2019: £119,000) in respect of the employee share appreciation rights.

Highest paid director	31 December 2020 £	31 December 2019 £
Aggregate remuneration	97,185	95,347
Amounts receivable under long term incentive schemes	95,600	23,800
Pension contributions in the year	1,313	1,189
	194,098	120,336

# Sewell Group Limited

## Notes to the financial statements for the year ended 31 December 2020 (continued)

### 5 Employee information

	2020 No.	2019 No.
The average monthly number (including executive directors) employed by the Company during the year was:		
Management and administration	26	26
	26	26
	2020 £	2019 £
The costs incurred in respect of these employees were:		
Wages and salaries	863,188	915,520
Social security costs	82,003	86,974
Other pension costs	20,678	19,597
	965,869	1,022,091

The company issues share appreciation rights under a long term incentive scheme to certain employee's.

In addition to the above employee wage costs, the company incurred costs in relation to the long term incentive scheme amounting to £478,000 (2019: £119,000). At 31 December 2020 the company has recorded liabilities of £597,000 (2019: £119,000) in respect of the employee share appreciation rights.

The employee information, and director's remuneration as stated above, for the year ended 31 December 2019 had been previously omitted and are now disclosed. The value of the employee cost not disclosed previously amounts to £1,022,091 and the value of director's remuneration not disclosed previously amounts to £109,836. The inclusion of these wages costs does not affect the results previously reported in the income statement.

These costs are recharged from a group company, Sewell Construction Limited, and are disclosed within these financial statements to represent actual costs of the company for services provided by these employees.

The prior year average number employed by the Company did not take into account this recharge and has therefore been restated to show the average number of management and administration staff of 26 (previously 6) and total of 26 (previously 6).

# Sewell Group Limited

## Notes to the financial statements for the year ended 31 December 2020 (continued)

### 6 Interest payable and similar charges

	2020 £	2019 £
Interest on director's loans	6,456	8,942

### 7 Tax on profit

#### (a) Tax expense included in profit or loss

	2020 £	2019 £
<b>Current tax:</b>		
UK corporation tax charge on result for the financial year	54,657	-
Group relief	-	(51,312)
Adjustments in respect of prior years	2,625	(870)
<b>Total current tax</b>	<b>57,282</b>	<b>(52,182)</b>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	(2,550)	584
Adjustments in respect of prior years	-	710
Changes in tax rates	488	-
<b>Total deferred tax (note 14)</b>	<b>(2,062)</b>	<b>1,294</b>
<b>Tax on profit</b>	<b>55,220</b>	<b>(50,888)</b>

# Sewell Group Limited

## Notes to the financial statements for the year ended 31 December 2020 (continued)

### 7 Tax on profit (continued)

#### (b) Reconciliation of tax charge

The tax assessed for the year is lower (2019: lower) than the standard effective rate of corporation tax in the UK for the year ended 31 December 2020 of 19% (2019: 19%). The differences are explained below:

	2020 £	2019 £
Profit before taxation	508,000	408,500
Profit before taxation multiplied by the standard rate of corporation tax in the UK of 19% (2019: 19%)	96,520	77,615
Effects of:		
Expenses not deductible for tax purposes	96,947	28,286
Income not taxable	(141,360)	(156,560)
Changes in tax rates	488	(69)
Adjustments in respect of prior years	2,625	(160)
<b>Tax on profit</b>	<b>55,220</b>	<b>(50,888)</b>

#### Factors that may affect future tax charges

The Chancellor of the Exchequer delivered his Budget to Parliament on 3 March 2021 in which he confirmed that the corporation tax rate would increase from the current rate of 19% from 1 April 2023 for companies with profits greater than £50,000. Therefore, the rate at which deferred tax balances are provided is likely to increase in future financial statements from the current 19%. As the rate that had been substantively enacted at the balance sheet date was 19%, deferred tax has been provided for in this set of financial statements at that rate.

### 8 Dividend paid

Dividend paid of £7.78 (2019: £9.01) on A Ordinary Shares	451,000	522,500
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# Sewell Group Limited

## Notes to the financial statements for the year ended 31 December 2020 (continued)

### 9 Tangible assets

	Freehold land and buildings £	Plant and equipment £	Total £
<b>Cost</b>			
At 1 January 2020	1,730,623	1,091,954	2,822,577
Additions	524,430	53,266	577,696
Disposal	-	(11,486)	(11,486)
<b>At 31 December 2020</b>	<b>2,255,053</b>	<b>1,133,734</b>	<b>3,388,787</b>
<b>Accumulated depreciation</b>			
At 1 January 2020	318,396	716,646	1,035,042
Charge for the year	30,727	128,497	159,224
Disposal	-	(11,486)	(11,486)
<b>At 31 December 2020</b>	<b>349,123</b>	<b>833,657</b>	<b>1,182,780</b>
<b>Net book amount</b>			
<b>At 31 December 2020</b>	<b>1,905,930</b>	<b>300,077</b>	<b>2,206,007</b>
At 31 December 2019	1,412,227	375,308	1,787,535

The Company has pledged land and buildings with a net book value of £1,384,123 to secure its bank overdrafts by way of a legal charge.

### 10 Investments

	£
<b>Cost</b>	
At 1 January 2020 and 31 December 2020	2,666,342

# Sewell Group Limited

## Notes to the financial statements for the year ended 31 December 2020 (continued)

### 10 Investments (continued)

The principal investments, which are listed below, operate in England and have issued share capital consisting of £1 ordinary shares:

	Nature of business	Proportion held
<b>Subsidiaries:</b>		
Sewell Construction Limited	Building contractors	100%
Sewell Facilities Management Limited	Facilities management	100%
Sewell Investments Limited	Investment properties	100%
Sewell Education (Hull) Limited	PFI schools operator	100%
Sewell Education (Hull BSF) Limited	Dormant	100%
Shared Agenda Solutions Limited	Management services provider	70%
<i>Subsidiary of Shared Agenda Solutions Limited:</i>		
Parallel Data Intelligence Limited	Data mapping consultancy	70%
Illingworth & Gregory (Holdings) Limited	Intermediate holding company	100%
<i>Subsidiary of Illingworth &amp; Gregory (Holdings) Limited:</i>		
Illingworth & Gregory Limited	Building contractors	100%
<b>Joint Ventures:</b>		
Sewell Education (York) Holdings Limited	PFI schools developer	50%
<i>Subsidiary of Sewell Education (York) Holdings Limited:</i>		
Sewell Education (York) Limited	PFI schools developer	50%
Hull Citycare (Investments) Limited	PPP healthcare developer	50%
<i>Subsidiary of Hull Citycare (Investments) Limited:</i>		
Hull Citycare Limited	PPP healthcare developer	30%
<i>Subsidiaries of Hull Citycare Limited:</i>		
Hull Citycare (Intermediate 1) Limited	Intermediate holding company	30%
Hull Citycare (Fund Co 1) Limited	PPP healthcare developer	30%
Hull Citycare (Intermediate 2) Limited	Intermediate holding company	30%
Hull Citycare (Fund Co 2) Limited	PPP healthcare developer	30%
Hull Citycare (Intermediate 3) Limited	Intermediate holding company	30%
Hull Citycare (Fund Co 3) Limited	PPP healthcare developer	30%
Hull Citycare (Intermediate 4) Limited	Intermediate holding company	30%
Hull Citycare (Fund Co 4) Limited	PPP healthcare developer	30%



# Sewell Group Limited

## Notes to the financial statements for the year ended 31 December 2020 (continued)

### 10 Investments (continued)

	Nature of business	Proportion held
<i>Subsidiaries of Hull Citycare Limited: (continued)</i>		
Hull Citycare (Intermediate 5) Limited	Intermediate holding company	30%
Hull Citycare (Fund Co 5) Limited	PPP healthcare developer	30%
Hull Citycare (Intermediate 6) Limited	Intermediate holding company	30%
Hull Citycare (Fund Co 6) Limited	PPP healthcare developer	30%
Hull Citycare (Intermediate 7) Limited	Intermediate holding company	30%
West Hull Health Hub Development Company Limited	PPP healthcare developer	30%

All companies are registered in England and Wales. The registered address of the above companies is Geneva Way, Leads Road, Hull, HU7 0DG.

The directors believe that the carrying value of the investments is supported by their underlying net assets.

### 11 Debtors: amounts falling due within one year

	31 December 2020 £	31 December 2019 £
Trade debtors	27	-
Amount owed by Group undertakings	11,988,484	12,738,966
Other debtors	185,278	41,888
Corporation tax	-	51,312
Prepayments and accrued income	197,793	124,675
	<b>12,371,582</b>	<b>12,956,841</b>

Amounts owed by Group undertakings are unsecured interest free and repayable on demand.

# Sewell Group Limited

## Notes to the financial statements for the year ended 31 December 2020 (continued)

### 12 Creditors: amounts falling due within one year

	31 December 2020 £	31 December 2019 £
Other loans	200,000	200,000
Shares classified as a liability (note 13)	597,025	119,025
Trade creditors	9,335	49,243
Amounts owed to Group undertakings	14,226,048	14,738,372
Corporation tax	54,657	-
Other creditors	681,318	873,901
Accruals and deferred income	175,865	160,867
	<b>15,944,248</b>	<b>16,141,408</b>

The other loans are loans from directors bearing interest at base +3% and are repayable on demand.

Amounts owed to Group undertakings are unsecured, interest free and are repayable on demand.

The Company is part of a group banking facility which is secured by way of a debenture and cross guarantee over all assets of the company.

### 13 Called up share capital

Authorised, allotted, issues, called up and fully paid	31 December 2020 £	31 December 2019 £
A Ordinary shares of £1 each	58,002	58,002
B Ordinary shares of £1 each	-	-

All voting rights and decisions over distributions remain with the holder of the A Ordinary shares.

The B Ordinary shares, including annual changes in value, are classified as creditors due to them possessing the characteristics of debt. These B Ordinary shares relate to employee share appreciation rights shares under a long term incentive scheme, which are issued to certain employees.

The Company's other reserves are as follows:

The share premium reserve contains the premium arising on issue of the A Ordinary shares.

The merger reserve arose on a group restructure.

# Sewell Group Limited

## Notes to the financial statements for the year ended 31 December 2020 (continued)

### 14 Deferred taxation

	31 December 2020 £	31 December 2019 £
At 1 January	4,148	2,854
(Credit)/charge during year	(2,062)	1,294
At end of year	2,086	4,148

The deferred taxation balance is made up as follows:	31 December 2020 £	31 December 2019 £
Accelerated capital allowances	4,005	5,865
Other short term timing differences	(1,919)	(1,717)
At end of year	2,086	4,148

### 15 Related party transactions

Transactions between the Company and it's related parties during the year were as follows:

Nature of relationship and type of transaction	2020 £	2019 £
Subsidiary – sale of management services	63,700	53,950

Refer to note 12 for details of loans from directors.

One of the directors has an interest free current account which is presented behind Other creditors. The movement in the current account is as follows:

	Balance brought forward £	Credits to the directors £	Amounts repaid £	Balance outstanding £
Directors current account	873,901	451,000	(643,583)	681,318

# **Sewell Group Limited**

## **Notes to the financial statements for the year ended 31 December 2020 (continued)**

### **16 Controlling parties**

The immediate and ultimate parent undertaking is Sewell Ventures Limited.

The ultimate parent undertaking is Sewell Ventures Limited, a company registered in England and Wales. Sewell Ventures Limited is controlled by P E Sewell.

Sewell Ventures Limited is the smallest and largest group for which consolidated financial statements including Sewell Group Limited are prepared. Copies of the consolidated financial statements of Sewell Ventures Limited can be obtained from Geneva Way, Leads Road, Hull, HU7 0DG.