

**REGISTERED NUMBER: 10663506 (England and Wales)**

**Report of the Directors and  
Audited Financial Statements for the year Ended 31 March 2020  
for  
SDL Estate Management Limited**



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For the Year Ended 31 March 2020**

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**SDL Estate Management Limited (Registered number: 10663506)**

**Company Information  
for the Year Ended 31 March 2020**

DIRECTORS:	A M Deller P R Gratton
SECRETARY:	H R Kinsey
REGISTERED OFFICE:	17 Regan Way Chetwynd Business Park Chilwell Nottingham NG9 6RZ
REGISTERED NUMBER:	10663506 (England and Wales)
AUDITOR:	KPMG LLP St Nicholas House 31 Park Row Nottingham NG1 6FQ

**Report of the Directors  
for the Year Ended 31 March 2020**

The directors present their report with the financial statements of the Company for the year ended 31 March 2020.

**REVIEW OF BUSINESS**

The principal activity of Company in the year under review was that of property management. On 31 March 2020, the Company acquired the trade and assets of CP Bigwood Management LLP, a fellow subsidiary of Mortgages and Surveying Services Limited.

**RESULTS AND DIVIDENDS**

The loss for the year, after taxation amounted to £933,461 (2019; loss £3,807,209). The directors have not recommended the payment of a dividend for the current or prior year.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The UK's decision to leave the European Union resulted in increased uncertainty for consumers and this has contributed to continued subdued levels of property transactions. SDL Estate Management Limited expects market volumes to continue at these subdued levels until such time more clarity around the impact of Brexit emerges.

**COVID 19**

Like many businesses, the Company has been impacted by the coronavirus and the UK's response to it. While the initial effect was significant, the Company adapted quickly to allow employees to work from home, providing services to our customers remotely wherever possible. Following the end of that lockdown period the housing market has bounced back strongly in terms of both price and volume and the business has been able to deliver strong results throughout both the summer and the national lockdowns

**DIRECTORS**

P R Gratton has held office during the whole of the period from 1 April 2019 to the date of this report.

Other changes in directors holding office are as follows:

C J Anderton – resigned 27 March 2020

A M Deller – appointed 10 September 2019

P J Lindley – resigned 30 April 2020

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR**

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 auditor is 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 auditor is aware of that information.

**AUDITOR**

Pursuant to Section 487 of the Company Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

**SMALL COMPANY PROVISIONS**

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

**SDL Estate Management Limited (Registered number: 10663506)**

**Report of the Directors  
for the Year Ended 31 March 2020**

**ON BEHALF OF THE BOARD:**



.....  
A M Deller - Director

Date: 15/3/21 .....

**Statement of Directors' Responsibilities  
for the Year Ended 31 March 2020**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with the applicable law and regulations

Company law requires the directors to prepare financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

## **Report of the Independent Auditor to the Members of SDL Estate Management Limited**

### **Opinion**

We have audited the financial statements of SDL Estate Management Limited (the 'Company') for the year ended 31 March 2020 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with UK Accounting Standards, including FRS 101 Reduced Disclosure Framework; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### **Material uncertainty related to going concern**

We draw attention to note 2 to the financial statements which indicates that the company is dependent on Group financial support. As the Group is performing a strategic review of the company, there is uncertainty around the intention of the Group to continue providing that financial support. These events and conditions, along with the other matters explained in note 2, constitute a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### **Directors' Report**

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' reports;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion the report has been prepared in accordance with the Companies Act 2006.

## **Report of the Independent Auditor to the Members of SDL Estate Management Limited**

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

Under the Companies Act 2006 we are required 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 Company's exemption from the requirement to prepare a strategic report.

### **Directors' responsibilities**

As explained more fully in their statement set out on page 3, the directors are responsible for:

- the preparation of the financial statements and for being satisfied that they give a true and fair view;
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### **Auditors' responsibilities**

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 our opinion in an auditor's report. 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.

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](http://www.frc.org.uk/auditorsresponsibilities).



**Report of the Independent Auditor to the Members of  
SDL Estate Management Limited**

**The purpose of our audit work and to whom we owe our responsibilities**

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.



Louise De Lucchi (senior statutory auditor).

for and on behalf of KPMG LLP  
St Nicholas House  
31 Park Row  
Nottingham  
NG1 6FQ

Date: ... 15 March 2021.....

**SDL Estate Management Limited (Registered number: 10663506)**

**Profit and Loss Account and Other Comprehensive Income  
for the Year ended 31 March 2020**

	Notes	2020 £	2019 £
<b>REVENUE</b>	<b>3</b>	<b>504,004</b>	<b>1,224,442</b>
Cost of sales		<u>(36,289)</u>	<u>(67,875)</u>
<b>GROSS PROFIT</b>		<b>467,715</b>	<b>1,156,567</b>
Depreciation and amortisation		(376,428)	(257,144)
Administrative expenses		(623,903)	(2,334,100)
Administrative expenses – exceptional	5	<u>(281,994)</u>	<u>-</u>
<b>OPERATING LOSS</b>		<b>(814,610)</b>	<b>(1,434,677)</b>
Impairment of goodwill and intangible assets	6	-	(725,998)
Expenditure from participating interest	7	(26,196)	(1,610,472)
Interest payable and similar expenses	8	<u>(265,389)</u>	<u>(59,835)</u>
<b>LOSS BEFORE TAX</b>	9	<b>(1,106,195)</b>	<b>(3,830,982)</b>
Tax on loss	11	<u>172,734</u>	<u>23,773</u>
<b>TOTAL COMPREHENSIVE EXPENSE FOR THE YEAR</b>		<b><u>(933,461)</u></b>	<b><u>(3,807,209)</u></b>

Statement of Financial Position  
31 March 2020

		2020		2019	
	Notes	£	£	£	£
<b>FIXED ASSETS</b>					
Intangible assets	13		1,630,192		1,279,396
Tangible assets	14		272,007		15,096
			<u>1,902,199</u>		<u>1,294,492</u>
<b>CURRENT ASSETS</b>					
Debtors	15	1,718,296		166,095	
Cash at bank and in hand		180,254		42,659	
		<u>1,898,550</u>		<u>208,754</u>	
<b>CREDITORS</b>					
Amounts falling due within one year	16	(2,444,141)		(4,844,392)	
<b>NET CURRENT LIABILITIES</b>			<u>(545,591)</u>		<u>(4,635,638)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			1,356,608		(3,341,146)
<b>CREDITORS</b>					
Amounts falling due after more than one year	17		(9,018,378)		(1,433,013)
<b>PROVISIONS FOR LIABILITIES</b>	18		(3,288,504)		(2,566)
<b>NET LIABILITIES</b>			<u>(10,950,274)</u>		<u>(4,776,725)</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	19		10		10
Retained earnings			(5,710,196)		(4,776,735)
Other reserves	20		(5,240,088)		-
<b>SHAREHOLDERS' DEFICIT</b>			<u>(10,950,274)</u>		<u>(4,776,725)</u>

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board of Directors on 15/3/21 and were signed on its behalf by:

  
A M Deller – Director

**SDL Estate Management Limited (Registered number: 10663506)**

**Statement of Changes in Equity  
for the Year Ended 31 March 2020**

	<b>Called up share capital</b>	<b>Retained earnings</b>	<b>Other Reserves</b>	<b>Total equity</b>
<b>Balance at 1 April 2018</b>	10	(969,526)	-	(969,516)
<b>Changes in equity</b>				
Total comprehensive income	-	(3,807,209)	-	(3,807,209)
<b>Balance at 31 March 2019</b>	10	(4,776,735)	-	(4,776,725)
<b>Changes in equity</b>				
Total comprehensive income	-	(933,461)		(930,595)
Merger reserve on hive up (see note 12)	-	-	(5,240,088)	(5,240,088)
<b>Balance at 31 March 2020</b>	10	(5,710,196)	(5,240,088)	(10,947,408)

**Notes to the Financial Statements  
for the Year Ended 31 March 2020**

**1. STATUTORY INFORMATION**

SDL Estate Management Limited is a company limited by capital incorporated in England & Wales. The Company's registered number and registered office address can be found on the Company Information page.

The Company is exempt by virtue of s401 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

The Company's ultimate parent undertaking, Mortgage and Surveying Services Limited, includes the Company in its consolidated financial statements. The consolidated financial statements of Mortgage and Surveying Services Limited are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from 3&4 Regan Way, Chetwynd Business Park, Chilwell, Nottingham, NG9 6RZ.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements. The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

**2. ACCOUNTING POLICIES**

**Basis of preparation**

These financial statements have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 101 "Reduced Disclosure Framework":

- Cash Flow Statement and related notes;
- Certain disclosures regarding revenue;
- Certain disclosures regarding leases;
- Comparative period reconciliations for share capital, tangible fixed assets and intangible assets;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel; and
- Disclosures of transactions with a management entity that provides key management personnel services to the Company.

As the consolidated financial statements of Mortgage and Surveying Services Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- IFRS 2 Share-Based Payments in respect of group settled share-based payments
- Certain disclosures required by IAS 36 Impairment of Assets in respect of the impairment of goodwill and indefinite life intangible assets; and

**Notes to the Financial Statements  
for the Year Ended 31 March 2020**

**2. ACCOUNTING POLICIES – continued**

- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

The directors do not consider there to be any judgements in the applications of these accounting policies that would have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year. The parent company has also stated its intent to continue to support the Company and to pay its liabilities as they fall due.

There are no new or amended standards becoming applicable in the near future which will have a material effect on these financial statements. Management will continue to assess the impact of new and amended standards and interpretations on an ongoing basis.

**Going concern**

Notwithstanding the loss for the year and the Company's net current liabilities the directors consider it to be a going concern.

On 4 December 2020, various loans totalling £10,772k owed by the Company and its fellow group subsidiaries to their then ultimate parent Mortgage and Surveying Services Limited (formerly SDL Property Services Group Limited) were written off. On the same day, the Company and its fellow group subsidiaries were purchased from Mortgage and Surveying Services Limited by Wise Living Developments Limited. Simultaneously:

- Wise Living Developments Limited received further loans from Mortgage and Surveying Services Limited of £3,966k, repayable on 30 April 2025, subject to proceeds from certain asset disposals might have to be remitted earlier. It also has the option to capitalise all interest until 30 April 2025; and
- A further £3,277k of funding was provided to Wise Living Developments Ltd on the same terms to allow the refinance of existing loans.

As a result, the group headed by Wise Living Developments Limited ('the Group') has substantial cash balances and far lower, longer-term debt which benefits from interest roll up.

Like many businesses, the Company has been impacted by the coronavirus and the UK's response to it. While the initial effect was significant, the Group adapted quickly to allow employees to work from home, providing services to our customers remotely wherever possible.

The directors have reviewed the Group and Company's cashflows based on this revised funding position, considering both base forecasts and a reasonable downside. These forecasts assume refinancing of certain completed housing schemes, which is in the normal course of business. These also assume that companies within its legal entity group would lend funds to fellow group members, as is their intent. In both scenarios the Company and its group will have sufficient funds to meet all their liabilities as they fall due for the twelve months after the signing of these accounts. Therefore, the directors believe that it remains appropriate to prepare them on the going concern basis.

**Notes to the Financial Statements  
for the Year Ended 31 March 2020**

**2. ACCOUNTING POLICIES – continued**

Those forecasts are dependent on Wise Living Developments Limited providing additional financial support during that period. Wise Living Developments Limited has indicated its intention to continue to make available such funds as are needed by the company for the period covered by the forecasts, on the basis that the company remains a member of its group. As with any company placing reliance on other group entities for financial support,

the directors acknowledge that there can be no certainty that this support will continue. Specifically, the intention of Wise Living Developments Limited to continue to provide this support is dependent upon a strategic review of subsidiaries owned by the Group, which is in progress and includes the company.

The strategic review could result in the group disposing of the company which would mean funding from Wise Living Developments Limited is no longer made available. In this circumstance the company would require alternative sources of funding to continue its trade, which have not been agreed.

Based on these indications the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. However, these circumstances represent a material uncertainty that may cast significant doubt on the company's ability to continue as a going concern and, therefore, to continue realising its assets and discharging its liabilities in the normal course of business. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

**Revenue**

Revenue is measured based on consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognises revenue when it transfers control over a product or service to a customer.

Revenue comprises of estate management fees exclusive of value added tax. Fees are received at the start of the month to which they relate and recognised as revenue over the course of the month as the service is provided to the customer.

**Goodwill**

Goodwill represents the excess of the costs of a business combination over the total acquisition date fair value of the identifiable assets, liabilities and contingent liabilities acquired. Cost comprises the fair value of assets given, liabilities assumed, and equity instruments issued.

When a business combination agreement provides for an adjustment to the cost of the combination which is contingent on future events, the Company includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably. However, if the potential adjustment is not recognised at the acquisition date but subsequently becomes probable and can be measured reliably, the additional consideration shall be treated as an adjustment to the cost of the combination. Changes in the estimated value of contingent consideration arising on business combinations completed as a consequence results in a change in the carrying value of the related goodwill.

**Notes to the Financial Statements  
for the Year Ended 31 March 2020**

**2. ACCOUNTING POLICIES – continued**

Goodwill is capitalised as an intangible asset and is not amortized. Instead it is reviewed annually for impairment with any impairment in carrying value being charged to Profit and Loss and other Comprehensive Income. The Companies Act 2006 requires acquired goodwill to be reduced by provisions for depreciation calculated to write off the amount systematically over a period chosen by the directors, not exceeding its useful economic life. It has been deemed, however, the non-amortisation of goodwill is a departure, for the overbidding purpose of giving a true and fair view. The effect of this departure has not been quantified because it is impracticable and, in the opinion of the directors, would be misleading

**Changes in accounting policies and disclosure**

In these financial statements the Company has changed its accounting policies in the following areas:

- IFRS 16: Leases (See note 24)
- IFRS 16 has been adopted using the modified retrospective method and therefore the comparative information has not been restated and continues to be reported under IAS 17.

At the inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

*As a lessee*

The Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone price and the aggregate stand-alone price of the non-lease components.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case, the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.



**Notes to the Financial Statements  
for the Year Ended 31 March 2020**

**2. ACCOUNTING POLICIES – continued**

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Company is reasonably certain to exercise;
- lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option; and
- penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, to the extent that the right-of-use asset is reduced to nil, with any further adjustment required from the remeasurement being recorded in profit or loss.

The Company presents right-of-use assets that do not meet the definition of investment property in tangible assets and lease liabilities in 'creditors' in the statement of financial position.

The application and financial impact of this accounting policy is discussed further in note 26.

*Short-term leases and leases of low-value assets*

The Company has elected not to recognise right-of-use assets and lease liabilities for lease of low-value assets (assets with a value of less than £5,000) and short-term leases (i.e. leases of 12 months or less). The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

*Expenses*

Operating lease payments (policy applicable before 1 April 2019)

Payments (excluding costs for services and insurance) made under operating leases are recognised in the Profit and Loss and other Comprehensive Income on a straight-line basis over the term of the lease. Lease incentives received are recognised in Profit and Loss and other Comprehensive Income as an integral part of the total lease expense

**Notes to the Financial Statements  
for the Year Ended 31 March 2020**

**2. ACCOUNTING POLICIES – continued**

**Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

- Fixtures and fittings - 25% straight line
- Office equipment – 25% straight line
- Computer equipment – 25% straight line

The assets' residual values, useful lives and depreciation methods are reviewed annually, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Profit and Loss Account and Other Comprehensive Income. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Profit and Loss Account and Other Comprehensive Income.

**Intangible fixed assets**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

The estimated useful lives range as follows:

- Customer relationships - 12 years

**Notes to the Financial Statements  
for the Year Ended 31 March 2020**

**2. ACCOUNTING POLICIES – continued**

**Changes in accounting policies and disclosure**

During the current financial year, the Company has adopted IFRS 16 with a date of initial application of 1 April 2019. The adoption of IFRS 16 has not had a significant or material impact on these financial statements. There are no other changes in accounting policy and disclosure in the year.

**Income from participating interest**

The Company recognises its share of the profit or loss of a partnership in which it has interest in the Profit or Loss Account and Other Comprehensive Income in the period to which it relates.

**Financial instruments**

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below:

**(a) Recognition and initial measurement**

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

**(ii) Classification and subsequent measurement**

**Financial assets**

**(a) Classification**

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI - debt investment; FVOCI - equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

**Notes to the Financial Statements  
for the Year Ended 31 March 2020**

**2. ACCOUNTING POLICIES – continued**

**Financial Instruments – continued**

A financial asset is measured at amortised cost if it meets both of the following conditions:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions:

it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets.

Investments in subsidiaries are accounted for in accordance with IFRS 9.

**(b) Subsequent measurement and gains and losses**

Financial assets at FVTPL - these assets (other than derivatives designated as hedging instruments) are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost - These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

**Financial liabilities and equity**

Financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and

**Notes to the Financial Statements  
for the Year Ended 31 March 2020**

**2. ACCOUNTING POLICIES – continued**

**Financial Instruments – continued**

(b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative, or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in the Profit and Loss and other Comprehensive Income. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in the Profit and Loss and other Comprehensive Income.

**Intra-group financial instruments**

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the Company considers these to be insurance arrangements and accounts for them as such. In this respect, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

**Intra-group financial instruments**

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the Company considers these to be insurance arrangements and accounts for them as such. In this respect, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

**(iv) Impairment**

The Company recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost, debt investments measured at FVOCI and contract assets (as defined in IFRS 15).

The Company measures loss allowances at an amount equal to lifetime ECL, except for other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial

**Notes to the Financial Statements  
for the Year Ended 31 March 2020**

**2. ACCOUNTING POLICIES – continued**

**Financial Instruments – continued**

recognition which are measured as 12-month ECL. Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

**Measurement of ECLs**

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

**Credit-impaired financial assets**

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

**Write-offs**

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery.

**Taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Profit and Loss Account and Other Comprehensive Income, except that a charge attributable.

**Notes to the Financial Statements  
for the Year Ended 31 March 2020**

**2. ACCOUNTING POLICIES – continued**

**Taxation – continued**

to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income 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 balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

**Employee benefit costs**

The Company operates a defined contribution pension scheme. Contributions payable to the Company's pension scheme are charged to the Profit and Loss and other Comprehensive Income on the period to which they relate.

**Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**Non-derivative financial instruments**

**Trade and other debtors**

Trade and other debtors are recognised initially at fair value. Subsequently to initial recognition, they are measured at amortised cost using the effective interest method, less any impairment loss

Short term debtors are measured at transaction price, less impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**Notes to the Financial Statements  
for the Year Ended 31 March 2020**

**2. ACCOUNTING POLICIES – continued**

**Non-derivative financial instruments- continued**

Trade and other creditors

Trade and other creditors are initially recognised at fair value. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate.

**Critical accounting judgements and key sources of estimation uncertainty**

The directors do not believe there to be any critical accounting judgements. Inherently, as with any provision, there is estimation uncertainty within the remediation provision held on the statement of financial position at year end. Management have conducted a thorough review to establish this provision, which represents their best estimate of the settlement at year end.

**3. REVENUE**

The following is a description of the principal activities from which the Company generates its revenue in line with IFRS 15. For further detail on the accounting policy for the current year please see note 2.

Residential service charge fees and commercial management fees are recognised evenly over the period to which they relate, usually either a month or a quarter. Cash is received at the start of the relevant period.

All Revenue was generated in the United Kingdom. Closing accrued income was £Nil (2019: £26,234). There is no deferred income on either the opening or closing balance sheet.

**4. EMPLOYEES AND DIRECTORS**

All employee related costs are now incurred by SDL Group Services Limited, a fellow subsidiary of Mortgage and Surveying Services Limited. Any recharges of these costs are treated as a recharge and so is not disclosed as salary costs. Directors costs are disclosed in Mortgage and Surveying Services Limited, the parent Company.



**Notes to the Financial Statements  
for the Year Ended 31 March 2020**

**5. ADMINISTRATIVE EXPENSES – EXCEPTIONAL**

	2020 £	2019 £
Remediation costs	<u>281,994</u>	<u>-</u>

During the year management have placed additional emphasis on client focus resulting in a review of existing processes that identified a number of historical issues. As a result, the Company has incurred certain exceptional costs.

**6. IMPAIRMENT OF GOODWILL AND INTANGIBLE ASSETS**

	2020 £	2019 £
Impairment of goodwill and intangible assets	<u>-</u>	<u>725,998</u>

This relates to the impairment of goodwill and intangible assets following the disposal of trade and fixed assets of Alexander Faulkner Partnership Limited on 29<sup>th</sup> March 2019.

**7. EXPENDITURE FROM PARTICIPATING INTERESTS**

	2020 £	2019 £
Share of partnership loss	<u>(26,196)</u>	<u>(1,610,472)</u>

This relates to the Company's share of losses (2019: losses) of CP Bigwood Management LLP.

**8. INTEREST PAYABLE AND SIMILAR EXPENSES**

	2020 £	2019 £
Intercompany loan	257,003	59,835
Interest on leases	8,386	-
	<u>265,389</u>	<u>59,835</u>

**9. LOSS BEFORE TAXATION**

The loss before taxation is stated after charged:

	2020 £	2019 £
Depreciation – owned assets	117	16,434
Depreciation – right-of-use assets	126,188	-
Amortisation of intangible assets	<u>250,123</u>	<u>240,710</u>

**10. AUDITORS' REMUNERATION**

The Company did not pay any remuneration to its auditor during the current period. All remuneration was paid by SDL Group Services Limited, a fellow subsidiary of Mortgage and

Notes to the Financial Statements  
for the Year Ended 31 March 2020

10. AUDITORS' REMUNERATION - continued

Surveying Services Limited. Of this the amount related to the Company is £36,000 (2019: £22,000).

The Company has taken advantage of the exemption not to disclose amounts paid for non-audit services as these are disclosed in the group accounts of the parent company.

11. TAXATION

Analysis of tax income

	2020 £	2019 £
Current tax:		
Current tax on profits	-	-
Adjustments for prior year	(292,806)	-
Total current tax	(292,806)	-
Deferred tax (origination and reversal of temporary difference)	120,072	(23,773)
Total tax expense/(income) in Profit and Loss Account and Other Comprehensive Income	(172,734)	(23,773)

Factors affecting the tax income

The tax assessed for the year is the lower than (2019: higher) the standard rate of corporation tax in the UK. The difference is explained below:

	2020 £	2019 £
Loss before income tax	(1,106,195)	(3,830,982)
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2019:19%)	(210,177)	(727,887)
Effects of:		
Fixed asset differences	-	108,899
Expenses not deductible for tax purposes	(317)	349,505
Adjust closing deferred tax to average rate of 19.00%	-	139
Deferred tax not recognised	(46,957)	3,997
Group relief	243,397	294,671
Income not taxable	(46,245)	(52,815)
Adjustments in respect of prior periods – deferred tax	175,052	-
Adjustments in respect of prior periods – current tax	(292,806)	-
Partnership profits	5,319	-
Other tax adjustments	-	(282)
Tax income	(172,734)	(23,773)

**Notes to the Financial Statements  
for the Year Ended 31 March 2020**

**11. TAXATION - continued**

UK corporation rate of 19% (effective 1 April 2020) was substantively enacted on 17 March 2020, reversing the previously enacted reduction in the rate from 19% to 17%. This will increase the Company's future current tax charge accordingly. The deferred tax asset/(liability) at 31 March 2020 has been calculated at 19% (2019: 17%).

**12. ACQUISITION OF TRADE FROM SUBSIDIARY COMPANY**

On 31 March 2020, the Company purchased the trade and assets of CP Bigwood LLP. This acquisition was undertaken to simplify the group's structure.

The amounts recognised at acquisition date in respect of trade receivables acquired in the business combination approximate their fair value. The trade receivables are short-term in nature and therefore the amounts recognised at acquisition date equal the gross contractual amounts receivable. All book amounts are considered to approximate their fair value.

Assets and liabilities acquired are as follows:

	£
Intangible assets	556,560
Tangible assets	138,817
Current debtors	2,631,072
Cash	136,989
Current creditors	(1,128,319)
Provisions less than one year	(2,992,866)
Creditors greater than one year	(4,182,341)
Net liabilities	(4,840,088)
Consideration paid	400,000
Total other reserve created	<u><u>5,240,088</u></u>

Notes to the Financial Statements  
for the Year Ended 31 March 2020

**13. INTANGIBLE ASSETS**

	Goodwill	Other intangible assets	Totals
<b>COST</b>	£	£	£
At 1 April 2019	-	1,640,735	1,640,735
Additions	-	75,161	75,161
Reclassification	-	25,355	25,355
Acquired on transfer of trade	544,991	11,569	556,560
At 31 March 2020	<u>544,991</u>	<u>1,752,820</u>	<u>2,297,811</u>
<b>DEPRECIATION</b>			
At 1 April 2019	-	361,339	361,339
Amortisation for the year	-	250,123	250,123
Reclassification	-	10,259	10,259
Impairments	-	45,898	45,898
At 31 March 2020	<u>-</u>	<u>667,619</u>	<u>667,619</u>
<b>NET BOOK VALUE</b>			
At 31 March 2020	<u>544,991</u>	<u>1,085,201</u>	<u>1,630,192</u>
At 31 March 2019	<u>-</u>	<u>1,279,396</u>	<u>1,279,396</u>

**14. TANGIBLE ASSETS**

	Plant and machinery	Rights-of-use assets - property	Totals
<b>COST</b>	£	£	£
At 1 April 2019	25,355	-	25,355
On adoption of IFRS 16	-	257,626	257,626
Additions	1,869	-	1,869
Reclassification	(25,355)	-	(25,355)
Acquired on transfer of trade	138,817	-	138,817
At 31 March 2020	<u>140,686</u>	<u>257,626</u>	<u>398,312</u>
<b>DEPRECIATION</b>			
At 1 April 2019	10,259	-	10,259
Depreciation for the year	117	126,188	126,305
Reclassification	(10,259)	-	(10,259)
At 31 March 2020	<u>117</u>	<u>126,188</u>	<u>126,305</u>
<b>NET BOOK VALUE</b>			
At 31 March 2020	<u>140,569</u>	<u>131,438</u>	<u>272,007</u>
At 31 March 2019	<u>15,096</u>	<u>-</u>	<u>15,096</u>

**SDL Estate Management Limited (Registered number: 10663506)**

**Notes to the Financial Statements  
for the Year Ended 31 March 2020**

**15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2020	2019
	£	£
Trade debtors	988,848	110,780
Other debtors	339,086	55,315
Amounts owed by group undertakings	390,362	-
	<u>1,718,296</u>	<u>166,095</u>

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

**16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2020	2019
	£	£
Lease liabilities	78,620	-
Trade creditors	234,048	28,515
Amounts owed to group undertakings	914,730	4,627,530
Other taxation and social security	195,454	68,714
Other creditors	848,713	-
Accrued expenses	172,576	119,633
	<u>2,444,141</u>	<u>4,844,392</u>

Amounts owed to group undertakings are interest free and repayable on demand.

**17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2020	2019
	£	£
Lease liabilities	55,684	-
Amounts owed to group undertakings	8,962,694	1,433,013
	<u>9,018,378</u>	<u>1,433,013</u>

The amounts owed to group undertakings is a loan from Mortgage and Surveying Services Limited which is due for repayment on 31 March 2022 and accrues interest at 7.5% per annum.

On 4 December 2020, the Company was purchased from Mortgage and Surveying Services Limited by Wise Living Development Limited. As part of this transaction, Wise Living Developments Limited received further loans from Mortgage and Surveying Services Limited, repayable on 30 April 2025, with the option to capitalise all interest until this date. In addition, various loans from Mortgage and Surveying Services Limited to subsidiaries of Wise Living Developments Ltd were written off.

Notes to the Financial Statements  
for the Year Ended 31 March 2020

**18. PROVISION FOR LIABILITIES**

	Remediation provision £	Deferred tax £	Total £
Balance at 1 April 2019	-	2,566	2,566
Utilised in the year	-	-	-
Acquired on transfer of trade	2,992,866	-	2,992,866
Additional provisions	173,000	120,072	293,072
Balance at 31 March 2020	<u>3,165,866</u>	<u>122,638</u>	<u>3,288,504</u>

Provisions for remediation have been made to compensate customers for various issues with services performed by the Company over a number of years. It is anticipated that these will be settled within 12 months. A thorough review has been performed to minimise uncertainty within this balance as much as possible.

**19. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2020	2019
1,000	Ordinary shares	£0.01	<u>10</u>	<u>10</u>

**20. RESERVES**

Other reserves relate to the acquisition of the trade and assets of CP Bigwood Management LLP.

**21. RELATED PARTY DISCLOSURES**

The Company has taken advantage of the relief available under FRS101.8(k) in respect of the Related Party Disclosure and does not disclose transactions with wholly owned entities that are fellow group companies.

**Notes to the Financial Statements  
for the Year Ended 31 March 2020**

**22. ULTIMATE CONTROLLING PARTY**

At the year end date the Company was a subsidiary undertaking of Mortgage and Surveying Services Limited, which was also considered to be the ultimate controlling party. The results of the Company are included in the financial statements of Mortgage and Surveying Services Limited. Incorporated in England & Wales. No other group financial statements include the results of the Company. The consolidated financial statements of the group are available for the public and may be obtained from 3-4 Regan Way, Chilwell, Nottingham, NG9 6RZ.

See note 23 for changes in ownership post year end.

**23. POST BALANCE SHEET EVENTS**

Like many businesses, the Company has been impacted by the coronavirus and the UK's response to it. While the initial effect was significant, the Group adapted quickly to allow employees to work from home, providing services to our customers remotely wherever possible. Following the end of that lockdown period the housing market has bounced back strongly in terms of both price and volume and the business has been able to deliver strong results throughout both the summer and the national lockdowns.

On 4 December 2020, the Company was purchased from Mortgage and Surveying Services Limited by Wise Living Development Limited. As part of this transaction, Wise Living Developments Limited received further loans from Mortgage and Surveying Services Limited, repayable on 30 April 2025, with the option to capitalise all interest until this date.

Notes to the Financial Statements  
for the Year Ended 31 March 2020

**24. ADOPTION OF IFRS 16**

The Company has applied IFRS 16 using the modified retrospective approach and therefore, the comparative information has not been restated and continues to be reported under IAS 17. The disclosure requirements in IFRS 16 have not been applied to comparative information. The details of the changes and quantitative impact are set out below.

**Right-of-use assets**

	Total Property £
<b>2020</b>	
Opening asset additions	257,626
Depreciation charge for the year	<u>(126,188)</u>
Balance at 31 March	<u>131,438</u>

**Lease liabilities include in the statement of financial position at 31 March**

	2020 £
Current	78,620
Non - current	<u>55,684</u>
Total	<u>134,304</u>

**Amounts recognised in the profit and loss and other comprehensive income statement**

	2020 £
Interest on lease liabilities	8,386

Previously the Company determined at contract inception whether an arrangement was or contained a lease under IFRIC 4: Determining whether an Arrangement contains a Lease. The Company now assesses whether a contract is or contains a lease based on the definition of a lease, as explained in note 1. On transition to IFRS 16, the Company elected to apply the practical expedient to apply IFRS 16 only to contracts that were previously identified as leases. Contracts that were not previously identified as leases under IAS 17 and IFRIC 4 were not reassessed for whether there is a lease under IFRS 16. Therefore, the definition of a lease under IFRS 16 was applied only to contracts entered into or changed on or after 1 April 2019.

The Company previously classified leases as operating or finance leases based on its assessment of whether the lease transferred substantially all of the risks and rewards incidental to ownership of the underlying asset to the Company. Only finance leases were then recognised on the balance sheet.

Under IFRS 16, the Company recognises right-of-use assets and lease liabilities for most leases which were previously classified as operating i.e. these leases are on-balance sheet.



**Notes to the Financial Statements  
for the Year Ended 31 March 2020**

**24. ADOPTION OF IFRS 16 - continued**

On transition, for operating leases under IAS 17, lease liabilities were measured at the present value of the remaining lease payments, discounted at the estimated interest rate implicit in the lease as at 1 April 2019 (see note 19).

Right-of-use assets were measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments. The Company applied this approach to all other leases.

The Company has tested its right-of-use assets for impairment on the date of transition and has concluded that there is no indication that the right-of-use assets are impaired.

The Company used a number of practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17. In particular these were:

- did not recognise right-of-use assets and liabilities for leases for which the lease term ends within 12 months of the date of initial application;
- did not recognise right-of-use assets and liabilities for leases of low value assets (i.e. assets or liabilities with a value of less than £5,000);
- excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
- used hindsight when determining the lease term.

For leases in place at transition the discount rates have been calculated based on the risk of the lease, giving a range of rates between 4.5% and 5% which have been applied to leases with reasonably similar characteristics, such as property, cars and IT equipment.

*Leases classified as finance leases under IAS 17*

For these finance leases, the carrying amount of the right-of-use asset was determined at the carrying amount of the lease asset under IAS 17 at 31 March 2019. There was no change made to the lease liability.