

Registered number: 10663506

**SDL ESTATE MANAGEMENT LIMITED**

**ANNUAL REPORT**

**FOR THE YEAR ENDED 31 MARCH 2021**

THURSDAY



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**SDL ESTATE MANAGEMENT LIMITED**

**COMPANY INFORMATION**

<b>Directors</b>	A M Deller (resigned 1 April 2021) P R Gratton (resigned 1 April 2021) P J Lindley (resigned 30 April 2020) C A Guthrie (appointed 1 April 2021) M A Hehir (appointed 1 April 2021) J A L Howgego (appointed 1 April 2021) M S Tejada (appointed 1 April 2021)
<b>Company secretary</b>	J A L Howgego (appointed 1 April 2021)
<b>Registered number</b>	10663506
<b>Registered office</b>	9-11 The Quadrant Richmond TW9 1BP
<b>Independent auditors</b>	Cooper Parry Group Limited Chartered Accountants & Statutory Auditor Sky View Argosy Road East Midlands Airport Castle Donington Derby DE74 2SA

**SDL ESTATE MANAGEMENT LIMITED**

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## **SDL ESTATE MANAGEMENT LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2021**

The directors present their report and the financial statements for the year ended 31 March 2021.

#### **Principal activity**

The principal activity of the Company in the year under review was that of property management.

#### **Directors' responsibilities statement**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 and loss of the company for that year.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Directors**

The directors who served during the year are noted on the company information page.

#### **Disclosure of information to auditors**

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all the steps that ought to have been taken as directors in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

#### **Post balance sheet events**

Subsequent to the year end on 1 April 2021, the immediate parent Company changed from Wise Living Developments Limited to HML PM Limited, also a Company incorporated in England and Wales.

On 1 November 2021, the trade and assets of SDL Estate Management Limited were hived up into HML PM Limited.

**SDL ESTATE MANAGEMENT LIMITED**

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2021**

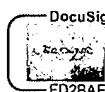
**Auditors**

The company changed its auditor for the audit of the year ended 31 March 2021 to Cooper Parry Group Limited. The directors thank KPMG LLP for their role as auditor in the previous period. Cooper Parry Group Limited will be appointed as auditors for the next period.

**Small companies note**

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

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

DocuSigned by:  
  
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**J A L Howgego**  
Director

Date: 23 December 2021

## **SDL ESTATE MANAGEMENT LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SDL ESTATE MANAGEMENT LIMITED**

#### **Opinion**

We have audited the financial statements of SDL Estate Management Limited for the year ended 31 March 2021, which comprise the profit and loss account, the balance sheet and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 auditors' 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.

## **SDL ESTATE MANAGEMENT LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SDL ESTATE MANAGEMENT LIMITED (CONTINUED)**

#### **Opinion 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has 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 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 1, 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.

## SDL ESTATE MANAGEMENT LIMITED

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SDL ESTATE MANAGEMENT LIMITED (CONTINUED)

#### Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Our assessment focussed on key laws and regulations the company has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Companies Act 2006, United Kingdom Generally Accepted Accounting Practice and relevant tax legislation.

We are not responsible for preventing irregularities. Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- We identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the property industry;
- We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence where applicable; and
- Identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.
- We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:
  - making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
  - considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.
- To address the risk of fraud through management bias and override of controls, we:
  - tested journal entries to identify unusual transactions;
  - assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias;
  - investigated the rationale behind significant or unusual transactions; and
  - reviewed nominals accounts of certain nominal codes for indication of any management override.
- In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:
  - agreeing financial statement disclosures to underlying supporting documentation;
  - enquiring of management as to actual and potential litigation and claims; and
  - reviewing correspondence with HMRC and associated parties.



**SDL ESTATE MANAGEMENT LIMITED**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SDL ESTATE MANAGEMENT LIMITED  
(CONTINUED)**

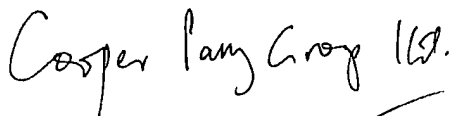
Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation

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). This description forms part of our auditors' 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 auditors' 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.



Katharine Warrington (senior statutory auditor)

for and on behalf of

**Cooper Parry Group Limited**

Chartered Accountants  
Statutory Auditor

Sky View  
Argosy Road  
East Midlands Airport  
Castle Donington  
Derby  
DE74 2SA  
Date: 23 December 2021

## SDL ESTATE MANAGEMENT LIMITED

STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021 £	As restated 2020 £
Turnover		3,991,607	504,004
Cost of sales		(119,204)	(36,289)
<b>Gross profit</b>		<b>3,872,403</b>	<b>467,715</b>
Administrative expenses before exceptional items		(6,317,430)	(1,002,851)
Exceptional administrative income/(expenses)	6	2,092,764	(281,994)
<b>Total administrative expenses</b>		<b>(4,224,666)</b>	<b>(1,284,845)</b>
Other operating income	4	179,260	-
<b>Operating profit/(loss)</b>		<b>(173,003)</b>	<b>(817,130)</b>
Income from participating interests	7	-	(29,196)
Interest payable and similar expenses		-	(257,003)
<b>Loss before tax</b>		<b>(173,003)</b>	<b>(1,103,329)</b>
Tax on loss		635,289	172,734
<b>Profit/(loss) for the financial year</b>		<b>462,286</b>	<b>(930,595)</b>

There were no recognised gains and losses for 2021 or 2020 other than those included in the statement of comprehensive income.

The notes on pages 9 to 22 form part of these financial statements.

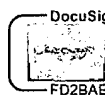
**SDL ESTATE MANAGEMENT LIMITED**  
**REGISTERED NUMBER: 10663506**

**BALANCE SHEET**  
**AS AT 31 MARCH 2021**

	Note	2021 £	As restated 2020 £
<b>Fixed assets</b>			
Intangible assets	8	-	1,630,192
Tangible fixed assets	9	22,000	140,569
		<u>22,000</u>	<u>1,770,761</u>
<b>Current assets</b>			
Debtors within one year	10	675,052	1,718,296
Cash at bank and in hand		216,577	180,254
		<u>891,629</u>	<u>1,898,550</u>
<b>Creditors: amounts falling due within one year</b>	11	(716,848)	(2,365,521)
<b>Net current assets/(liabilities)</b>		<u>174,781</u>	<u>(466,971)</u>
<b>Total assets less current liabilities</b>		<u>196,781</u>	<u>1,303,790</u>
<b>Creditors: amounts falling due after more than one year</b>	12	-	(8,962,694)
Deferred tax	13	-	(122,638)
<b>Provisions for liabilities</b>	14	(1,416,293)	(3,165,866)
		<u>(1,416,293)</u>	<u>(3,288,504)</u>
<b>Net liabilities</b>		<u>(1,219,512)</u>	<u>(10,947,408)</u>
<b>Capital and reserves</b>			
Called up share capital	15	10	10
Share premium account	18	9,268,476	-
Other reserves	18	(5,240,088)	(5,240,088)
Profit and loss account	18	(5,247,910)	(5,707,330)
<b>Shareholders' deficit</b>		<u>(1,219,512)</u>	<u>(10,947,408)</u>

The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

DocuSigned by:  
  
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**J A L Howgego**  
 Director

Date: 23 December 2021

The notes on pages 9 to 22 form part of these financial statements.

## **SDL ESTATE MANAGEMENT LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

#### **1. General information**

SDL Estate Management Limited is a limited liability Company incorporated and domiciled in England and Wales. The address of its registered office is disclosed on the Company information page.

The financial statements are prepared in Sterling (£), which is the functional currency of the Company.

The financial statements are for the year ended 31 March 2021 (2020: year ended 31 March 2020).

#### **2. Accounting policies**

##### **2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006. The company transitioned from Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS 101") to Financial Reporting Standard 102 ("FRS 102") during the year (note 21).

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

##### **2.2 Turnover**

Turnover 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.

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

##### **2.3 Going concern**

At the time of signing these accounts, the directors have considered the effect of the Coronavirus on the going concern position, and consider that this does indicate that the Company will continue to trade for a period of at least 12 months from the date of signing these accounts.

The outbreak of Coronavirus pandemic continues to result in a high level of uncertainty about the extent and the timeframe of the effect on the performance of the Company. However, the directors believe the Company is strongly positioned to handle any downturn that may occur.

Although the company is in a net liability position as at the period end, there is adequate support from the group to allow the Company to trade for the foreseeable future.

The financial forecasts prepared by the directors show that the Company will be able to operate with the group support available to it.

On that basis, the directors have prepared these financial statements on a going concern basis.

## **SDL ESTATE MANAGEMENT LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

#### **2. Accounting policies (continued)**

##### **2.4 Disclosure exemptions**

As the Company is a wholly owned subsidiary of a Company whose consolidated financial statements include the results of the subsidiary and are publicly available, the company has taken advantage of FRS 102 Section 33.1a exemption from disclosing transactions with group undertakings.

##### **2.5 Government grants**

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the profit and loss account at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the profit and loss account in the same period as the related expenditure.

##### **2.6 Finance costs**

Finance costs are charged to the profit and loss account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

##### **2.7 Pensions**

###### **Defined contribution pension plan**

The company operates a defined contribution plan for its employees. 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.

The contributions are recognised as an expense in the profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

##### **2.8 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except that a charge attributable 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 balance sheet 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 balance sheet 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

## **SDL ESTATE MANAGEMENT LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

#### **2. Accounting policies (continued)**

##### **2.8 Current and deferred taxation (continued)**

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 balance sheet date.

##### **2.9 Exceptional items**

Exceptional items are transactions that fall within the ordinary activities of the company but are presented separately due to their size or incidence.

##### **2.10 Intangible assets**

###### **Goodwill**

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the statement of comprehensive income over its useful economic life.

###### **Other intangible 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.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

##### **2.11 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.

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:

Plant and machinery	-	25%
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The assets' residual values, useful lives and depreciation methods are reviewed, 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.

## **SDL ESTATE MANAGEMENT LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

#### **2. Accounting policies (continued)**

##### **2.12 Impairment of fixed assets and goodwill**

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

##### **2.13 Debtors**

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

##### **2.14 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.

##### **2.15 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

##### **2.16 Provisions for liabilities**

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit and loss in the year that the company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the balance sheet.

## SDL ESTATE MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**3. Judgements in applying accounting policies and key sources of estimation uncertainty**

The process of preparing financial statements requires the use of accounting estimates, assumptions and judgements by the Company regarding the future that may have a risk of giving rise to an adjustment to the carrying values of assets and liabilities. These estimates and assumptions are based upon information available at the time of the estimates or assumptions, including our historical experience, where relevant.

**Revenue recognition**

Revenue is recognised when the risks and rewards of ownership are transferred to the customers, which is typically based on the lease period agreed to with the customer. The Company defers the recognition of revenue when advance payments are received from customers before the services have been performed.

**Provision for liabilities**

A provision is recognised when the Company has a present legal or constructive obligation as a result of a past event for which it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Whether a present obligation is probable or not requires judgement. The nature and type of risks for these provisions differ and management's judgement is applied regarding the nature and extent of obligations in deciding if an outflow of resources is probable or not.

**4. Other operating income**

Other operating income of £179,260 (2020: £Nil) relates to government grants receivable in respect of employees placed on "furlough" during the year, as part of the UK Government's Coronavirus Job Retention Scheme

**5. Auditors' remuneration**

	2021 £	2020 £
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	29,300	28,500
<b>Fees payable to the Company's auditor and its associates in respect of:</b>		
Financial statement preparation services	3,175	3,000
Taxation compliance services	5,000	4,500
	8,175	7,500



## SDL ESTATE MANAGEMENT LIMITED

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

## 6. Exceptional items

	2021 £	2020 £
Release of intercompany and other long term loans	(3,881,647)	-
Impairment of intangible and tangible assets	1,468,874	-
Profit on sale of company divisions	(160,000)	-
Additions to remediation provision	144,034	281,994
Legal and professional fees	219,827	-
Other exceptional items	116,148	-
	<u>(2,092,764)</u>	<u>281,994</u>

## 7. Expenditure from participating interests

	2021 £	2020 £
Share of partnership loss	-	29,196
	<u>-</u>	<u>29,196</u>

This relates to the Company's share of losses of CP Bigwood Management LLP.

## 8. Intangible assets

	Other intangible assets £	Goodwill £	Total £
<b>Cost</b>			
At 1 April 2020	1,752,820	544,991	2,297,811
At 31 March 2021	<u>1,752,820</u>	<u>544,991</u>	<u>2,297,811</u>
<b>Amortisation and impairment</b>			
At 1 April 2020	667,619	-	667,619
Charge for the year	244,716	-	244,716
Impairment charge (note 6)	840,485	544,991	1,385,476
At 31 March 2021	<u>1,752,820</u>	<u>544,991</u>	<u>2,297,811</u>
<b>Net book value</b>			
At 31 March 2021	<u>-</u>	<u>-</u>	<u>-</u>
At 31 March 2020	<u>1,085,201</u>	<u>544,991</u>	<u>1,630,192</u>

## SDL ESTATE MANAGEMENT LIMITED

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

## 9. Tangible fixed assets

	Plant and machinery £	Right-of-use assets £	Total £
<b>Cost</b>			
At 1 April 2020 (as previously stated)	140,686	257,626	398,312
Impact of change in accounting policy	-	(257,626)	(257,626)
At 1 April 2020 (as restated)	140,686	-	140,686
At 31 March 2021	140,686	-	140,686
<b>Depreciation and impairment</b>			
At 1 April 2020 (as previously stated)	117	126,188	126,305
Impact of change in accounting policy	-	(126,188)	(126,188)
At 1 April 2020 (as restated)	117	-	117
Charge for the year	35,171	-	35,171
Impairment charge (note 6)	83,398	-	83,398
At 31 March 2021	118,686	-	118,686
<b>Net book value</b>			
At 31 March 2021	22,000	-	22,000
At 31 March 2020 (as restated)	140,569	-	140,569

## 10. Debtors

	2021 £	2020 £
Trade debtors	480,850	988,848
Amounts owed by group undertakings	-	390,362
Other debtors	51,665	19,583
Prepayments and accrued income	142,537	319,503
	675,052	1,718,296

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

## SDL ESTATE MANAGEMENT LIMITED

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

## 11. Creditors: Amounts falling due within one year

	2021 £	As restated 2020 £
Trade creditors	43,072	234,048
Amounts owed to group undertakings	105,615	914,730
Other taxation and social security	-	195,454
Other creditors	318,392	848,713
Accruals and deferred income	249,769	172,576
	<u>716,848</u>	<u>2,365,521</u>

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

## 12. Creditors: Amounts falling due after more than one year

	2021 £	As restated 2020 £
Other long term loans	-	8,962,694
	<u>-</u>	<u>8,962,694</u>

	2021 £	2020 £
<b>Amounts falling due 2-5 years</b>		
Other long term loans	-	8,962,694
	<u>-</u>	<u>8,962,694</u>

Other long term loans were due for repayment on 31 March 2022 and accrued interest at 7.5% per annum. During the year ended 31 March 2021, these amounts were capitalised as share premium and/or released to the profit and loss account following the acquisition of the Company by Wise Living Developments, from Mortgage and Surveying Solutions Limited.

## SDL ESTATE MANAGEMENT LIMITED

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

## 13. Deferred taxation

	2021 £
At beginning of year	(122,638)
Utilised in the year	122,638
<b>At end of year</b>	<b>-</b>

The deferred taxation balance is made up as follows:

	2021 £	2020 £
Accelerated capital allowances	-	(122,638)
	-	(122,638)

## 14. Provisions

	Remediation provision £
At 1 April 2020	3,165,866
Charged to the profit and loss account	144,034
Utilised in the year	(1,893,607)
<b>At 31 March 2021</b>	<b>1,416,293</b>

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.

## 15. Share capital

	2021 £	2020 £
<b>Allotted, called up and fully paid</b>		
1,000 (2020 - 1,000) Ordinary shares of £0.01 each	10	10

## SDL ESTATE MANAGEMENT LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

#### 16. Pension commitments

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund contributions payable to the Company's pension scheme are charged to the statement of comprehensive income in the period to which they relate.

An expense of £117,434 was recognised during the year, with contributions of £Nil payable to the fund at the balance sheet date and included within creditors.

#### 17. Commitments under operating leases

At 31 March 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021 £	2020 £
Not later than 1 year	24,000	24,000
Later than 1 year and not later than 5 years	60,000	84,000
	<u>84,000</u>	<u>108,000</u>

#### 18. Reserves

##### Share premium account

This reserve relates to a pre-acquisition transaction whereby existing intercompany loan balances have been forgiven and capitalised as share premium.

##### Other reserves

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

##### Profit and loss account

The profit and loss account represents accumulated profits and losses for the year and prior periods less dividends paid.

#### 19. Post balance sheet events

Subsequent to the year end on 1 April 2021, the immediate parent Company changed from Wise Living Developments Limited to HML PM Limited, also a Company incorporated in England and Wales.

On 1 November 2021, the trade and assets of SDL Estate Management Limited were hived up into HML PM Limited.

**SDL ESTATE MANAGEMENT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**20. Controlling party**

As at the year end, the immediate parent Company was Wise Living Developments Limited, a Company incorporated in England and Wales.

Wise Living Developments Limited is the ultimate parent undertaking and the largest and smallest group for which consolidated accounts are prepared. The consolidated financial statements of Wise Living Developments Limited, in which the results of this Company are included, can be obtained from Companies House, Cardiff, CF14 3UZ.

Wise Living Developments Limited is controlled by its individual shareholders, including J&E Nominees Limited and BGF GP Limited. Both J&E Nominees Limited and BGF GP Limited are persons with significant control, however no party has ultimate control over Wise Living Developments Limited.

## SDL ESTATE MANAGEMENT LIMITED

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

## 21. First time adoption of FRS 102

The Company transitioned to FRS 102 from IFRS as at 1 April 2019. The impact of the transition to FRS 102 is as follows:

	As previously stated 1 April 2019 £	Effect of transition 1 April 2019 £	FRS 102 (as restated) 1 April 2019 £	As previously stated 31 March 2020 £	Effect of transition 31 March 2020 £	FRS 102 (as restated) 31 March 2020 £
Fixed assets	1,294,492	-	1,294,492	1,902,199	(131,438)	1,770,761
Current assets	208,754	-	208,754	1,898,550	-	1,898,550
Creditors: amounts falling due within one year	(4,844,392)	-	(4,844,392)	(2,444,141)	78,620	(2,365,521)
<b>Net current liabilities</b>	<b>(4,635,638)</b>	<b>-</b>	<b>(4,635,638)</b>	<b>(545,591)</b>	<b>78,620</b>	<b>(466,971)</b>
<b>Total assets less current liabilities</b>	<b>(3,341,146)</b>	<b>-</b>	<b>(3,341,146)</b>	<b>1,356,608</b>	<b>(52,818)</b>	<b>1,303,790</b>
Creditors: amounts falling due after more than one year	(1,433,031)	-	(1,433,031)	(9,018,378)	55,684	(8,962,694)
Provisions for liabilities	(2,566)	-	(2,566)	(3,288,504)	-	(3,288,504)
<b>Net liabilities</b>	<b>(4,776,743)</b>	<b>-</b>	<b>(4,776,743)</b>	<b>(10,950,274)</b>	<b>2,866</b>	<b>(10,947,408)</b>
Capital and reserves	(4,776,743)	-	(4,776,743)	(10,950,274)	2,866	(10,947,408)

SDL ESTATE MANAGEMENT LIMITED

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

21. First time adoption of FRS 102 (continued)

	As previously stated 31 March 2020 £	Effect of transition 31 March 2020 £	FRS 102 (as restated) 31 March 2020 £
Turnover	504,004	-	504,004
Cost of sales	(36,289)	-	(36,289)
	467,715	-	467,715
Administrative expenses	(1,000,331)	(5,520)	(1,005,851)
Administrative expenses - exceptional	(281,994)	-	(281,994)
<b>Operating loss</b>	<b>(814,610)</b>	<b>(5,520)</b>	<b>(820,130)</b>
Income from shares in group undertakings	(26,196)	-	(26,196)
Interest payable and similar charges	(265,389)	8,386	(257,003)
Taxation	172,734	-	172,734
<b>Loss on ordinary activities after taxation and for the financial year</b>	<b>(933,461)</b>	<b>2,866</b>	<b>(930,595)</b>



**SDL ESTATE MANAGEMENT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**21. First time adoption of FRS 102 (continued)**

Explanation of changes to previously reported profit and equity:

- 1 As stated in note 2.1, these are the Company's first financial statements prepared in accordance with FRS 102.

The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended 31 March 2021, the comparative information presented in these financial statements for the year ended 31 March 2020, and in the preparation of an opening FRS 102 balance sheet at 1 April 2019 (the company's date of transition). In preparing its FRS 102 balance sheet, the Company has adjusted amounts reported previously in financial statements prepared in accordance with its old basis of accounting (IFRS).

The transition to FRS 102 has had the FY20 impact of reducing tangible assets from £272,007 to £140,569, reducing current liabilities from £2,444,141 to £2,365,521 and reducing non current liabilities from £9,018,378 to £8,962,694. There has been an impact of £2,866 on the profit and loss result for FY20.