

Company Registration No: 03794403

**SAGEHILL LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MAY 2018**

MONDAY



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COMPANIES HOUSE

**SAGEHILL LIMITED**

**DIRECTORS AND OFFICERS**

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**DIRECTORS**

R Tchenguiz  
V A Tchenguiz

**REGISTERED OFFICE**

5<sup>th</sup> Floor  
Leconfield House  
Curzon Street  
London  
W1J 5JA

**AUDITOR**

RSM UK Audit LLP  
Chartered Accountants  
3<sup>rd</sup> Floor  
One London Square  
Cross Lanes  
Guildford  
Surrey  
GU1 1UN

**SOLICITORS**

Osborne Clarke  
One London Wall  
London  
EC2Y 5EB

## **SAGEHILL LIMITED**

### **DIRECTORS' REPORT**

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The directors present their report and the financial statements of Sagehill Limited for the year ended 31 May 2018.

#### **Principal activities and business review**

The principal activity of the company, which has remained unchanged during the year, was that of an intermediate holding company.

The company did not trade during the year.

In the opinion of the directors, the financial position of the company at 31 May 2018 was satisfactory given the support of Rotch Property Group Limited, a fellow group company.

#### **Dividends**

The directors do not recommend payment of a dividend.

#### **Directors**

The following director has held office since 1 June 2017:

R Tchenguiz  
V A Tchenguiz

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

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

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

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

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

**SAGEHILL LIMITED**

**DIRECTORS' REPORT (continued)**

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**Statement as to disclosure of information to auditor**

The directors who were in office on the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. The directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

**Auditor**

The auditor, RSM UK Audit LLP, Chartered Accountants, has indicated its willingness to continue in office.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

By order of the Board:



**R Tchenguiz**  
Director

19 December 2018

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SAGEHILL LIMITED**

### **Opinion**

We have audited the financial statements of Sagehill Limited (the 'company') for the year ended 31 May 2018 which comprise Statement of Financial Position and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 May 2018;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the 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.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SAGEHILL LIMITED (CONTINUED)

### 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 exemption from the requirement to prepare a strategic report or in preparing the directors' report.

### Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*RSM UK Audit LLP*

Christopher Hurren BA FCA (Senior Statutory Auditor)  
For and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
3<sup>rd</sup> Floor, One London Square, Cross Lanes  
Guildford, Surrey, GU1 1UN

*24 December*


2018

**SAGEHILL LIMITED****STATEMENT OF FINANCIAL POSITION (Company Registration Number: 03794403)****AT 31 MAY 2018**

	Notes	2018 £	2017 £
<b>Fixed assets</b>			
Investments	4	-	-
<b>Creditors: Amounts falling due within one year</b>	5	(69,636)	(69,636)
<b>Total assets less current liabilities</b>		<u>(69,636)</u>	<u>(69,636)</u>
<b>Capital and reserves</b>			
Called up share capital	6	1,000	1,000
Profit and loss account		(70,636)	(70,636)
<b>Total equity</b>		<u>(69,636)</u>	<u>(69,636)</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements on pages 6 to 12 were approved by the board of directors and authorised for issue on 19 December 2018 and are signed on its behalf by:

  
R Tchenguiz  
Director

# **SAGEHILL LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MAY 2018**

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### **1. Accounting policies**

#### **Company information**

Sagehill Limited ("the Company") is a limited company domiciled and incorporated in England. The address of the Company's registered office and principal place of business is 5th Floor, Leconfield House, Curzon Street, W1J 5JA. The company did not trade during the year.

#### **1.1 Basis of accounting**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006, as applicable to companies subject to the small companies regime.

#### **1.2 Reduced disclosures**

In accordance with FRS 102, the company has taken advantage of the exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash flows' – Presentation of a Statement of Cash Flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' & Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value charges recognised in profit or loss and in other comprehensive income.

The financial statements of the Company are consolidated in the financial statements of Rotch Property Group Limited. The consolidated financial statements of Rotch Property Group Limited are available from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

#### **1.3 Going concern**

The directors have assessed the continuation and availability of limited support being provided by Rotch Property Group Limited (see note 9), a fellow group company, and have determined that the company has, or can expect to have, sufficient working capital for its needs for at least the next 12 months from the date of approval of these financial statements. In view of this the directors consider it appropriate to prepare the accounts on the going concern basis.

#### **1.4 Consolidated financial statements**

The company and its subsidiary undertakings comprise a small-sized group. The company has therefore taken advantage of the exemption provided by FRS 102 Chapter 9 'Consolidated and Separate Financial Statements' and Section 399 of the Companies Act 2006 from the requirement to prepare consolidated financial statements on the basis that it is subject to the small companies regime. Consequently, these financial statements present the financial position and financial performance of the company as a single entity.

#### **1.5 Functional and presentational currencies**

The financial statements are presented in sterling which is also the functional currency of the company.

#### **1.6 Income statement**

The company has not traded during the current or preceding year and therefore no income statement is presented.



## **SAGEHILL LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **FOR THE YEAR ENDED 31 MAY 2018**

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##### **1.7 Investments**

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

Interests in subsidiaries are assessed for impairment at each reporting date. Any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

##### **1.8 Taxation**

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax is based on taxable profit for the year. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Current and deferred tax is charged or credited in profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument, and are offset only when the Company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

##### **1.9 Financial instruments**

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument, and are offset only when the Company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

**SAGEHILL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MAY 2018**

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**1.9 Financial instruments (continued)**

***Financial liabilities and equity***

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

***Equity Instruments***

Financial instruments classified as equity instruments are recorded at the fair value of the cash or other resources received or receivable, net of direct costs of issuing the equity instruments.

***Creditors***

Creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Where the arrangement with a creditor constitutes a financing transaction, the creditor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar instrument.

***Derecognition of financial assets and liabilities***

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

**1.10 Critical accounting estimates and areas of judgement**

There are currently no critical accounting estimates or areas of judgement.

**2. Employees and directors**

There were no employees during the year apart from the directors who received no emoluments.

**SAGEHILL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MAY 2018**

<b>3. Taxation</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>Current tax</b>		
UK corporation tax	-	-
<b>Total current tax</b>	-	-
Factors affecting the tax charge for the year.		
Profit before tax	-	-
Profit multiplied by the standard rate of Corporation tax in the UK of 19% (2017: 20%).	-	-
Effects of:		
Group relief	975	181
UK transfer pricing	(975)	(181)
<b>Tax expense</b>	-	-

A change to reduce the main rate of UK corporation tax to 17% from 1 April 2020 was announced in the Chancellor's Budget on 16 March 2016.

**4. Fixed asset investments**

	<b>Shares in group undertakings</b>
	<b>£</b>
<b>Cost</b>	
At 1 June 2017 and 31 May 2018	70,636
Provision for impairment in value	
At 1 June 2017 and 31 May 2018	70,636
<b>Net book value</b>	
31 May 2018	-
31 May 2017	-

In the opinion of the directors the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

The company holds more than 20% of the share capital of the following companies:

<b>Company</b>	<b>Country of registration or incorporation</b>	<b>Principal activity</b>	<b>Shares held</b>	<b>%</b>
			<b>Class</b>	
Uni Lease No. 1 Limited	England	Property investment*	Ordinary	100.00

\*This company holds its property investments by way of finance leases.

The registered address of this subsidiary is 5th Floor, Leconfield House, Curzon Street, W1J 5JA.

**SAGEHILL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MAY 2018**

**4. Fixed asset investments (continued)**

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

Company	Principal activity	Capital and reserves 31 May 2018 £	Profit/(loss) for the year 31 May 2018 £
Uni Lease No.1 Limited	Property investment*	(6,992,588)	(107,216)

**5. Creditors: Amounts falling due within one year**

	2018 £	2017 £
Amounts owed to group undertakings	69,636	69,636

**6. Share capital and reserves**

**Share capital**

	2018 £	2017 £
Allotted, issued and fully paid: 1,000 ordinary shares of £1 each	1,000	1,000

*Ordinary share rights*

The company's ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the company.

**Reserves**

Reserves of the Company represent the following:

*Retained earnings*

Cumulative profit and loss net of distributions to owners.

**7. Contingent liabilities**

The company's investment in its subsidiary has been used as security against loans taken out by fellow group undertakings. The loans are secured by a fixed and floating charge over the company's investment and by cross guarantees provided by fellow group companies and the cross-collateralisation arrangement of the properties owned by those fellow group companies.

The total value of the loans subject to this arrangement as at 31 May 2018 was a liability of £97,486,709 (2017: £99,513,841) and the fair value of the financial instruments also subject to this cross-collateralisation arrangement is a liability of £20,114,648 (2017: £23,435,431).

## SAGEHILL LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2018

#### 8. Ultimate parent company and ultimate controlling party

The company's immediate parent company is B&C Plaza Limited, which is incorporated in the United Kingdom.

The parent undertaking of the smallest and largest group for which group accounts are prepared and of which the company is a member is Rotch Property Group Limited, the company's United Kingdom ultimate holding company, which is registered in England. Copies of these group accounts are available from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

The directors regard the ultimate holding company to be Sunnymist Limited a company incorporated in the British Virgin Islands.

The ultimate controlling party is the Tchenguiz Family Trust.

#### 9. Related party transactions

At the balance sheet date, and included within amounts owed to group undertakings, £69,636 (2017: £69,636) was due to Rotch Property Group Limited ("Rotch"). No interest accrues on this related party balance.

Rotch has agreed not to demand repayment of the amount due to it should that result in the company not being able to meet its obligations in the normal course of business. Rotch has also agreed to provide limited additional support to assist the company in meeting its operational costs as they arise should this be necessary.

As set out in note 7 the company is party to a cross-collateralisation arrangement in respect of loan facilities as at the year-end being a liability of £97,486,709 (2017: £99,513,841). Of this amount £74,220,763 (2017: £74,894,695) relates to loan facilities with the following companies:

	2018 £	2017 £
Fellow subsidiaries of Sunnymist Limited:		
Dalefox Limited	30,458,341	30,766,860
Timecoast Limited	43,762,422	44,127,835
	<u>74,220,763</u>	<u>74,894,695</u>

The fair value of the financial instruments also subject this cross-collateralisation arrangement is a liability of £20,114,648 (2017: £23,435,431) of which £18,103,745 (2017: £20,919,625) relates to the following companies:

	2018 £	2017 £
Fellow subsidiaries of Sunnymist Limited:		
Dalefox Limited	11,941,519	13,979,866
Timecoast Limited	6,162,226	6,939,759
	<u>18,103,745</u>	<u>20,919,625</u>

The company has taken advantage of the exemptions provided by Section 33 of FRS 102 'Related Party Disclosures' and has not disclosed transactions entered into between two or more members of a group, provided that any subsidiary undertaking which is party to the transaction is wholly owned by a member of that group.