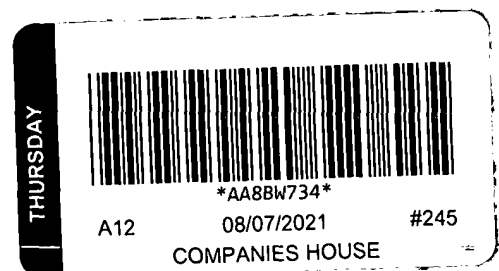


**Directors' Report and
Financial Statements for the Year Ended 31 December 2020
for
DEACON COMMERCIAL DEVELOPMENT AND
FINANCE LIMITED**



**DEACON COMMERCIAL DEVELOPMENT AND
FINANCE LIMITED (REGISTERED NUMBER: 00874338)**

**Contents of the Financial Statements
for the year ended 31 December 2020**

	Page
Company Information	1
Directors' Report	2
Independent Auditor's Report	3
Statement of Comprehensive Income	5
Statement of Financial Position	6
Statement of Changes in Equity	7
Notes to the Financial Statements	8

DEACON COMMERCIAL DEVELOPMENT AND
FINANCE LIMITED

Company Information
for the year ended 31 December 2020

Directors:

A L Dalwood
K J Acton

Secretary:

G Cresswell

Registered office:

5 New Street Square
London
EC4A 3TW

Registered number:

00874338 (England and Wales)

Auditor:

BDO LLP
55 Baker Street
London
W1U 7EU

**DEACON COMMERCIAL DEVELOPMENT AND
FINANCE LIMITED (REGISTERED NUMBER: 00874338)**

**Directors' Report
for the year ended 31 December 2020**

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

Principal activity

The principal activity of the Company in the year under review was that of property investment. These were sold in previous years and there has been limited activity in the current year.

Small companies' exemption

In preparing the Directors' Report advantage has been taken of the small companies' exemption provided by section 414B of the Companies Act 2006 and of the exemption of preparing a strategic report.

Dividends

No dividends will be distributed for the year ended 31 December 2020 (2019: £nil).

Events since the end of the year

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

Directors

The directors shown below have held office during the whole of the period from 1 January 2020 to the date of this report.

A L Dalwood
K J Acton

Directors' indemnities

All directors benefitted from qualifying third party indemnity provisions (as defined in section 234(2) of the Companies Act 2006) in place during the financial year and at the date of this report.

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), 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 accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

Statement as to disclosure of information to 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

The auditor, BDO LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

On behalf of the board:



G Cresswell - Secretary

5 July 2021

**Independent Auditor's Report to the Members of
Deacon Commercial Development and
Finance Limited**

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 and of its 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.

We have audited the financial statements of Deacon Commercial Development & Finance Limited ("the Company") for the year ended 31 December 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. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

Other Companies Act 2006 reporting

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.

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 take advantage of the small companies' exemptions from the requirement to prepare a strategic report.

**Independent Auditor's Report to the Members of
Deacon Commercial Development and
Finance Limited**

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities, 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.

Extent to which the audit was capable of detecting irregularities, including fraud

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:

- We obtained an understanding of the legal and regulatory framework applicable to the Company and considered the risk of acts by which would be contrary to applicable laws and regulations (including but not limited to Companies Act of 2006 and relevant tax legislation), including fraud. We determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting framework (United Kingdom Generally Accepted Accounting Practice and the Companies act 2006).
- We enquired of management and those charged with governance to identify how the Company is complying with those legal and regulatory frameworks and whether there were any known instances of non-compliance, or any actual, suspected or alleged fraud. We corroborated our enquiries through review of board minutes as well as review of relevant regulatory compliance information and correspondence.
- We considered the Company's environment that has been established to prevent, detect and deter fraud in particular in relation to the appropriateness of revenue recognition by testing nonstandard revenue journals.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries on a sample basis based on a defined criteria and other adjustments in the general ledger and evaluated the business rationale of any significant transactions that were unusual or outside the normal course of business. We also incorporated unpredictability procedures as part of our response to the risk of management override of controls. This included the testing of small expenses paid.
- We communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and discussed and how and where these might occur and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://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.

DocuSigned by:
Justin Chait
64C55C0C0D0774EE

Justin Chait (Senior statutory auditor)
for and on behalf of BDO LLP, Statutory Auditor
London

05 July 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

**DEACON COMMERCIAL DEVELOPMENT AND
FINANCE LIMITED (REGISTERED NUMBER: 00874338)**

**Statement of Comprehensive Income
for the year ended 31 December 2020**

	Notes	2020 £	2019 £
Turnover		-	-
Administrative expenses		<u>12,074</u>	<u>14,076</u>
Operating loss before taxation	4	(12,074)	(14,076)
Tax on loss	5	<u>-</u>	<u>-</u>
Loss for the financial year		(12,074)	(14,076)
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive loss for the year		<u>(12,074)</u>	<u>(14,076)</u>

The notes form part of these financial statements

**DEACON COMMERCIAL DEVELOPMENT AND
FINANCE LIMITED (REGISTERED NUMBER: 00874338)**

**Statement of Financial Position
31 December 2020**

	Notes	2020 £	2019 £
Fixed assets			
Investments in subsidiaries	6	102	102
Current assets			
Debtors: amounts falling due within one year	7	831,492	860,513
Cash at bank		<u>5,109</u>	<u>312</u>
		836,601	860,825
Creditors			
Amounts falling due within one year	8	<u>25,297</u>	<u>37,447</u>
Net current assets		<u>811,304</u>	<u>823,378</u>
Total assets less current liabilities		<u>811,406</u>	<u>823,480</u>
Capital and reserves			
Called up share capital	9	250,000	250,000
Retained earnings	10	<u>561,406</u>	<u>573,480</u>
Shareholders' funds		<u>811,406</u>	<u>823,480</u>

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

The financial statements were approved by the Board of Directors and authorised for issue on 5 July 2021 and were signed on its behalf by:



K. Acton - Director

**DEACON COMMERCIAL DEVELOPMENT AND
FINANCE LIMITED (REGISTERED NUMBER: 00874338)**

**Statement of Changes in Equity
for the year ended 31 December 2020**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2019	250,000	587,556	837,556
Changes in equity			
Total comprehensive loss	-	(14,076)	(14,076)
Balance at 31 December 2019	<u>250,000</u>	<u>573,480</u>	<u>823,480</u>
Changes in equity			
Total comprehensive loss	-	(12,074)	(12,074)
Balance at 31 December 2020	<u><u>250,000</u></u>	<u><u>561,406</u></u>	<u><u>811,406</u></u>

**DEACON COMMERCIAL DEVELOPMENT AND
FINANCE LIMITED (REGISTERED NUMBER: 00874338)**

**Notes to the Financial Statements
for the year ended 31 December 2020**

1. Statutory information

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

2. Accounting policies

Basis of 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 is a wholly owned subsidiary of Gresham House Finance Limited and of its ultimate parent Company, Gresham House plc. It is included in the consolidated financial statements of Gresham House plc, which are publicly available. Therefore, the Company is exempt, by virtue of section 400 of the Companies Act 2006, from the requirement to prepare consolidated financial statements. These accounts present information about the Company as an individual undertaking and not about its group.

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

- the requirements of IFRS 7 Financial Instruments: Disclosures;
 - the requirements of paragraphs 91 to 99 of IFRS 13 Fair Value Measurement;
 - the requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases;
 - the requirements of paragraph 58 of IFRS 16;
 - the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers;
 - the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1; and
 - paragraphs 76 and 79(d) of IAS 40 Investment Property;
 - the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D and 111 of IAS 1 Presentation of Financial Statements;
 - the requirements of paragraphs 134 to 136 of IAS 1 Presentation of Financial Statements;
 - the requirements of IAS 7 Statement of Cash Flows;
 - the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
 - the requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures;
 - the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group;
 - the requirements of paragraphs 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 Impairments of Assets.
- No new accounting standards were applicable for the current year.

Taxation

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

Current or deferred taxation assets and liabilities are not discounted.

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

Deferred tax

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

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

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

**DEACON COMMERCIAL DEVELOPMENT AND
FINANCE LIMITED (REGISTERED NUMBER: 00874338)**

**Notes to the Financial Statements - continued
for the year ended 31 December 2020**

2. Accounting policies - continued

Investments in subsidiaries

Investments in subsidiaries stated as fixed assets are stated at cost less provision for any impairments.

Going concern

The Company's ultimate parent entity is Gresham House plc (Parent), which performs a going concern assessment at the Group level and considers the cash flows and risks across the Group. This assessment has been stress tested for a worst case scenario and even under these conditions, the assumption remains unchanged that the Group remains a going concern. The Parent has provided a letter of support stating that it intends to support the Company to continue as a going concern in the coming 12 months. The directors continue to adopt the going concern basis of accounting in preparing the financial statements.

3. Employees and directors

There were no staff costs for the year ended 31 December 2020 nor for the year ended 31 December 2019.

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

	2020	2019
Directors	<u>2</u>	<u>2</u>

Directors' salaries are paid by a fellow group undertaking. The directors were the only employees of the Company during the year.

	2020 £	2019 £
Directors' remuneration	<u>-</u>	<u>-</u>

4. Loss before taxation

Audit fees were paid by fellow group undertakings.

5. Taxation

Analysis of tax expense

No liability to UK corporation tax arose for the year ended 31 December 2020 nor for the year ended 31 December 2019.

Factors affecting the tax expense

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

	2020 £	2019 £
Loss before income tax	<u>(12,074)</u>	<u>(14,076)</u>
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	(2,294)	(2,674)
Effects of: Deferred tax not recognised	<u>2,294</u>	<u>2,674</u>
Tax expense	<u>-</u>	<u>-</u>

Factors that may affect future tax charges

At 31 December 2020 the Company had capital losses and other taxation losses carried forward amounting to approximately £1,046,000 (2019 - restated: £1,046,000) and £13,000 (2019 - restated: £11,000) respectively. The losses create a potential deferred tax asset at 31 December 2020 of approximately £199,000 (2019 - restated: £199,000) and £2,000 (2019 - restated: £2,000) respectively. The recoverability of this asset is uncertain therefore no deferred tax asset has been recognised in the current year.

**DEACON COMMERCIAL DEVELOPMENT AND
FINANCE LIMITED (REGISTERED NUMBER: 00874338)**

**Notes to the Financial Statements - continued
for the year ended 31 December 2020**

6. Investments in subsidiaries

	Shares in group undertakings £
Cost	
At 1 January 2020	
and 31 December 2020	<u>102</u>
Net book value	
At 31 December 2020	<u>102</u>
At 31 December 2019	<u>102</u>

The Company's investments at the Statement of Financial Position date in the share capital of companies include the following:

	Nature of Business	Country of incorporation and registered office	Type of Share	Percentage held
Newton Estate Limited	Property investment	5 New Street Square, London, EC4A 3TW, England	Ordinary	100%
Wolden Estates Limited	Property investment	5 New Street Square, London, EC4A 3TW, England	Ordinary	100%

7. Debtors: amounts falling due within one year

	2020 £	2019 £
Amounts owed by group undertakings	<u>831,492</u>	<u>860,513</u>

8. Creditors: amounts falling due within one year

	2020 £	2019 £
Amounts owed to group undertakings	25,297	25,297
Accrued expenses	<u>-</u>	<u>12,150</u>
	<u>25,297</u>	<u>37,447</u>

The amounts owed to group undertakings are unsecured and interest free with no repayment date specified. The amounts are repayable on demand.

9. Called up share capital

Allotted, issued and fully paid:			2020	2019
Number:	Class:	Nominal value:	£	£
2,500,000	Ordinary	10p	<u>250,000</u>	<u>250,000</u>

Each single ordinary share with a nominal value of 10p each carries one voting right. Ordinary shares are also entitled to a dividend.

**DEACON COMMERCIAL DEVELOPMENT AND
FINANCE LIMITED (REGISTERED NUMBER: 00874338)**

**Notes to the Financial Statements - continued
for the year ended 31 December 2020**

10. Reserves

	Retained earnings £
At 1 January 2020	573,480
Loss for the year	<u>(12,074)</u>
At 31 December 2020	<u>561,406</u>

11. Ultimate parent company

The immediate parent company is Gresham House Finance Limited and the ultimate parent company and controlling party is Gresham House plc, both of which are incorporated in Great Britain and registered in England and Wales.

The accounts of the above companies can be obtained from Companies House, Crown Way, Cardiff.

12. Related party disclosures

The Company, as a 100% subsidiary included in consolidated accounts, has taken advantage of the exemption conferred by IAS24 "Related Party Disclosures" and does not disclose details of transactions with other wholly owned group companies.

13. Events after the reporting period

There are no subsequent events to disclose.