

**Sage Housing Limited**

Annual Report and Financial Statements

For the Year Ended

31 December 2019

Registration Number: 05489096

# **Sage Housing Limited**

## **Annual Report and Financial Statements for the year ended 31 December 2019**

### **Contents**

Officers and Professional Advisers	3
Statement of Financial Position	4
Statement of Changes in Equity	5
Notes to the Financial Statements	6

# **Sage Housing Limited**

## **Officers and Professional Advisers**

### **Board of Management**

John Brace – Independent Director  
Joseph Cook (Resigned 26 April 2019)  
David Godden – Independent Director (Appointed 9 July 2019)  
Gemma Katakya  
Sir Michael Lyons – Independent Director (Resigned 30 April 2019)  
Angela Roberts – Independent Director (Resigned 30 November 2019)  
Sydney Taylor  
Alison Thain OBE – Independent Director and Chair  
Stephen Trusler – Independent Director (Appointed 2 November 2019)

### **Company Secretary**

Bridget Frisby

### **Executive Officers**

Roderick Cahill	(Chief Executive Officer - Interim)
John Goodey	(Chief Financial Officer)
Devin Peterson	(Chief Operating Officer)

### **Registered office**

5th Floor Orion House,  
5 Upper St Martin's Lane,  
London  
WC2H 9EA

### **Principal Solicitors**

Devonshires Solicitors	Winckworth Sherwood LLP
30 Finsbury Circus	Minerva House
London	5 Montague House
EC2M 7DT	London
	SE1 9BB

### **Bankers**

Barclays Bank Plc	Deutsche Bank AG	Morgan Stanley Inv. Mgrs.	Wells Fargo
Piccadilly	Winchester House	25 Cabot Square	33 King
Leicester	1 Great Winchester Street	Canary Wharf	William St
Leicestershire,	London	London	London
LE87 2BB	EC2N 2DB	E14 4QA	EC4R 9AT

### **Auditor**

Deloitte LLP  
Park House  
Crawley Business Quarter  
Manor Royal  
Crawley  
RH10 9AD  
United Kingdom

### **Registrations**

Registered at Companies House – company number 05489096  
Regulator of Social Housing number 4636

# Sage Housing Limited

## Statement of Financial Position at 31 December 2019

	Note	As at 2019 £	As at 2018 £
<b>Tangible fixed assets</b>			
Housing properties	4	417,642,403	138,502,831
Other fixed assets	5	352,963	382,104
<b>Total fixed assets</b>		<u>417,995,366</u>	<u>138,884,935</u>
<b>Current assets</b>			
Stocks	6	74,207,038	27,242,390
Debtors	7	12,960,190	3,951,449
Cash at bank and in hand	8	34,947,893	11,599,198
		<u>122,115,121</u>	<u>42,793,037</u>
<b>Creditors:</b> amounts falling due within one year	9	<u>(36,868,534)</u>	<u>(14,785,217)</u>
<b>Net current assets</b>		<u>85,246,587</u>	<u>28,007,820</u>
<b>Total assets less current liabilities</b>		<u>503,241,953</u>	<u>166,892,755</u>
<b>Creditors:</b> amounts falling due after more than one year	10	<u>(497,195,715)</u>	<u>(143,081,118)</u>
<b>Net assets</b>		<u><b>6,046,238</b></u>	<u><b>23,811,637</b></u>
<b>Capital and reserves</b>			
Called-up share capital	11	45,496,940	35,496,940
Profit and loss account		<u>(39,450,702)</u>	<u>(11,685,303)</u>
<b>Total Shareholders' funds</b>		<u><b>6,046,238</b></u>	<u><b>23,811,637</b></u>

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

The financial statements of Sage Housing Limited (registered number: 05489096) were approved by the Board of Directors and authorised for issue on 25 June 2020.

They were signed on its behalf by



Alison Thain OBE  
Director

25 June 2020

The notes on pages 6 to 16 form part of these financial statements.

The profit and loss account and directors' report have not been delivered to the Registrar of Companies in accordance with the special provisions applicable to companies subject to the small companies regime. These accounts have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

## Sage Housing Limited

### Statement of Changes in Equity for the year ended 31 December 2019

	Share Capital £	Retained Earnings £	Total £
Total as at 1 January 2018	29,800,560	(2,915,768)	26,884,792
Issue of Ordinary Share Capital	5,696,380	-	5,696,380
Total comprehensive expense for the year to 31 December 2018	-	(8,769,535)	(8,769,535)
Total as at 31 December 2018	35,496,940	(11,685,303)	23,811,637
Issue of Ordinary Share Capital	10,000,000	-	10,000,000
Total comprehensive expense for the year to 31 December 2019	-	(27,765,399)	(27,765,399)
Total as at 31 December 2019	<u>45,496,940</u>	<u>(39,450,702)</u>	<u>6,046,238</u>

The notes on pages 6 to 16 form part of these financial statements.

# **Sage Housing Limited**

## **Notes to the financial statements for the year ended 31 December 2019**

### **1 Accounting policies**

Sage Housing Limited (the “Company”) is a private company limited by shares, incorporated in the United Kingdom under the Companies Act 2006, and is registered in England and Wales. The Company is a Registered Housing Provider. The address of the Company is provided on the Professional Advisers’ page.

#### **Basis of accounting**

The financial statements are prepared in accordance with FRS 102, The Financial Reporting Standard Applicable in the UK and Republic of Ireland (“FRS 102”), and the Housing SORP 2018 Statement of Recommended Practice for registered social housing providers (“Housing SORP 2018”) and comply with the Accounting Direction for Private Registered Providers of Social Housing from January 2019 (the “Accounting Direction 2019”).

The Company does not meet the definition of a qualifying entity set out in FRS 102 and has not taken advantage of the disclosure exemptions available to such entities.

The functional currency of the Company is Pounds Sterling because that is the currency of the primary economic environment in which the Company operates. The financial statements are also presented in Pounds Sterling.

The financial statements have been prepared under the historical cost convention.

#### **Going Concern**

The Directors have considered it appropriate to adopt the going concern basis of accounting in preparing the annual accounts. The Directors can report that there are no material uncertainties to the Company’s ability to continue over a period of at least twelve months from the date of approval of the financial statements. This conclusion has been reached following a full review and scrutiny of the financial position of the Company, and review and assessment of the risks facing the Company.

In their assessment of the impact of the current uncertainty caused by COVID-19 on Sage’s operations and funding requirements, the Directors have assessed the Company’s access to additional shareholder funding as well as debt financing, and have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least 12 months from the approval date of these financial statements.

#### **Revenue**

Revenue represents rental and service charge income receivable (net of void losses) and the proceeds from first tranche sales of shared ownership properties.

Rent and service charge income is recognised on an “accruals” basis from the point when properties under development reach practical completion or otherwise become available for letting, net of any voids.

Income from first tranche sales is recognised at the point of legal completion of the sale. The first tranche sales value is calculated as the proportion of the property sold, multiplied by the market value determined at the time.

## Sage Housing Limited

### Notes to the financial statements for the year ended 31 December 2019 (continued)

#### Value Added Tax

Value added tax ("VAT") is charged on some income and therefore part of the VAT incurred on expenditure is recoverable. Revenue is shown net of any VAT charged. The financial statements include VAT on expenditure to the extent that it is not recoverable from HMRC.

#### Cost of sales

Cost of sales represents those costs incurred during the course of development of those properties and marketing and other incidental costs incurred during the course of sale of those properties. At the date a sale is recognised all costs are taken to cost of sales.

#### Leased assets

The total rental payable under operating leases is recognised on a straight-line basis over the lease term. The Company has not entered into any finance leases.

#### Housing Properties and depreciation

Housing Properties are classified as either "in the course of construction", "rented" or "shared ownership".

Housing properties in the course of construction are stated at cost. Cost includes the cost of acquiring land and buildings and development costs incurred during the development period. Where a development consists of both "rented" and "shared ownership" properties the development costs are split in accordance with the developer's cost allocation. Assets in the course of construction are not depreciated until they are completed and ready for use to ensure that they are depreciated only in periods in which economic benefits are expected to be consumed.

Housing properties classified as rented are disaggregated into land, structure and a specific set of major components that require periodic replacement. Each component is recognised on the basis of materiality and if the useful economic life is substantially different from the rest of the structure. Depreciation of housing property components is charged so as to write down the cost of the components to their estimated residual value (the assumption is they are of no residual value), on a straight-line basis, over their estimated useful economic lives.

Component	Years
Housing Structure	100
Roof	50
Windows and Doors	25
Electrical and Heating	25
Bathrooms	25
Kitchens	20
Boilers	10

Freehold land is not depreciated.

Under shared ownership arrangements, the Company disposes of a long lease equal to between 25% and 75% of the value of shared ownership housing units to the occupying leaseholders. The leaseholder has the right to purchase further proportions up to 100% at the then-current valuation. Shared ownership properties are split between current and fixed assets on initial recognition.

Shared ownership properties for sale, held as stock in current assets, are stated at the lower of cost or estimated sale proceeds less selling costs and remaining construction costs. The proceeds from the sale of the current asset element ("first tranche") are included in revenue and the proportionate cost of

## Sage Housing Limited

### Notes to the financial statements for the year ended 31 December 2019 (continued)

the related asset expensed through the profit and loss statement as a cost of sale. The unsold portion of the property ("staircasing element") is accounted for as a fixed asset and any subsequent tranche sale treated as a part disposal of a fixed asset.

Shared ownership social housing properties are not broken down into components as their tenants are liable for any repairs, and they are not depreciated due to their high residual value.

#### Other Fixed assets and depreciation

Other tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is charged on the following asset categories on a straight-line basis, to write down the cost less estimated residual values over the expected useful economic lives of the assets:

Asset Category	Years
Computer Equipment and Software	3
Furniture, Fixtures and Fittings	4
Leasehold Office Properties and Improvements – Over the period of the lease	

#### Impairment of tangible fixed assets

Tangible fixed assets (mainly housing properties) are assessed for indicators of impairment at each reporting date. Where indicators are identified a detailed assessment is then undertaken to determine the asset's or cash-generating unit's (CGU's) recoverable amount. The recoverable amount will be the higher of fair value less costs to sell, existing use valuation for Social Housing ("EUV-SH"), or value in use (in respect of assets held for their service potential) ("VIU-SP"). As allowed by Housing SORP 2018, the Company uses depreciated replacement cost ("DRC") as a reasonable estimate of VIU-SP.

Where the carrying amount of an asset or CGU is deemed to exceed its recoverable amount, the resulting impairment loss is recognised in other comprehensive income.

The Company defines CGU's as schemes, except where its schemes are not sufficiently large enough in size or where it is geographically sensible to group schemes into larger CGUs.

#### Stock

Stock represents shared ownership work in progress and completed properties. Stock is stated at the lower of cost and net realisable value. Cost includes the cost of acquiring land and buildings and development costs incurred during the development period. Net realisable value is based on estimated sales proceeds after allowing for all further costs to completion and selling costs. The value of shared ownership work in progress and shared ownership unsold completed properties is split between fixed assets and stock in the ratio 60:40.

#### Financial assets

Basic financial assets, including tenant debtors, other receivables, cash and bank balances are initially recognised at the transaction price unless the arrangement constitutes a financing transaction, in which case then the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

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



## **Notes to the financial statements for the year ended 31 December 2019 (continued)**

### **Financial liabilities**

Financial liabilities, including trade and other payables, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, in which case the instrument is measured at the present value of the future payments discounted at a market rate of interest. These instruments are subsequently carried at amortised cost, using the effective interest rate method.

Financial assets and liabilities are only offset in the Statement of financial position when, there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

### **Interest payable and financing costs**

Interest payable is recognised over the term of the debt using the effective interest rate method so that the amount charged is at a constant rate on the carrying amount.

### **Taxation**

The tax charge represents the sum of current tax and deferred tax.

The current tax is based on taxable result for the year. Taxable result differs from net result as reported in the Statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable loss and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of a deferred tax asset is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled, or the asset is realised. Deferred tax is charged or credited in the Statement of comprehensive income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

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

In the application of the accounting policies, which are described in note 1, the Directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

### **Critical judgements in applying the Company's accounting policies**

The preparation of financial statements in conformity with FRS 102 requires management to exercise its judgement in the process of applying the Company's accounting policies. Judgements and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The following are the significant management judgements made in applying the accounting policies of the Company that have the most significant effect on the financial statements.

#### **Determining whether an impairment review is required**

Determining whether there are indicators of impairment of the Company's housing properties, including those held as tangible fixed assets and current assets, requires judgement. The following are considered to be indicators of impairment, but other events may indicate that an impairment review is required:

- any issue that was not identified as part of a development's appraisal which results in a material increase in the cost of the development;
- a change in government policy, regulation or legislation;
- a reduction in demand for a property (either by type or location, possibly evidenced by increased voids);
- a reduction in the market value of shared ownership properties; and
- obsolescence of a property (i.e. it is planned to regenerate the property by demolishing it).

As a result of the impairment reviews conducted at the year-end, no indicators of impairment have been identified and no provisions have been required. Refer to note 4 for details of the housing properties balance subject to impairment review.

#### **Estimation uncertainty**

The key judgements and estimates applied in respect of housing properties are disclosed in note 1 and include the useful economic life of the housing structure and other housing components, and that properties have no residual values at the end of their useful life.

These are conservative assumptions that have been aligned with the general practice followed by Registered Housing Providers.

There are no further key estimates.

# Sage Housing Limited

## Notes to the financial statements for the year ended 31 December 2019 (continued)

### 3 Employees' information

	2019 Number	2018 Number
The average monthly number of employees (incl. directors) expressed in full-time equivalents during the year was:	103	44

### 4 Tangible fixed assets – Housing properties

	Affordable rent £	Shared ownership £	Completed housing properties for letting £	Housing properties in the course of construction £	Total £
<i>Cost:</i>					
At 1 January 2019	31,846,027	18,759,887	50,605,914	87,965,648	<b>138,571,562</b>
Construction of properties	-	-	-	280,074,894	<b>280,074,894</b>
Completed construction	101,051,776	56,619,767	157,671,542	(157,671,542)	-
At 31 December 2019	132,897,803	75,379,654	208,277,456	210,369,000	<b>418,646,456</b>
<i>Depreciation:</i>					
At 1 January 2019	(68,731)	-	(68,731)	-	<b>(68,731)</b>
Depreciation charge for the year	(935,322)	-	(935,322)	-	<b>(935,322)</b>
At 31 December 2019	(1,004,053)	-	(1,004,053)	-	<b>(1,004,053)</b>
<i>Net book value:</i>					
At 31 December 2019	131,893,750	75,379,654	207,273,403	210,369,000	<b>417,642,403</b>
At 31 December 2018	31,777,296	18,759,887	50,537,183	87,965,648	<b>138,502,831</b>

	2019 £	2018 £
The net book value of completed housing properties which excludes work in progress and land banked comprises:		
Freeholds	196,746,218	47,474,444

# Sage Housing Limited

## Notes to the financial statements for the year ended 31 December 2019 (continued)

### 5 Tangible fixed assets – other fixed assets

	Leasehold property improvements £	Furniture, fixtures & fittings £	Computer equipment £	Software £	Total £
<b>Cost</b>					
At 1 January 2019	182,151	103,895	201,581	49,773	<b>537,400</b>
Additions	-	41,788	111,288	-	<b>153,076</b>
At 31 December 2019	182,151	145,683	312,869	49,773	<b>690,476</b>
<b>Depreciation</b>					
At 1 January 2019	45,538	25,974	67,194	16,590	<b>155,296</b>
Charge for the year	50,689	28,255	86,679	16,594	<b>182,217</b>
At 31 December 2019	96,227	54,229	153,873	33,184	<b>337,513</b>
<b>Net book value</b>					
At 31 December 2019	85,924	91,454	158,996	16,589	<b>352,963</b>
At 31 December 2018	136,613	77,921	134,387	33,183	<b>382,104</b>

### 6 Stock

	Under construction 2019 £	Completed properties 2019 £	Total 2019 £	Total 2018 £
<b>Shared Ownership</b>				
At 1 January 2019	17,601,113	9,641,277	27,242,390	2,398,244
Additions	69,200,947	-	69,200,947	27,530,085
Properties completed	(38,992,676)	38,992,676	-	-
Cost of first tranche shared ownership properties sold	-	(22,236,299)	(22,236,299)	(2,685,939)
At 31 December 2019	47,809,383	26,397,654	74,207,038	27,242,390

### 7 Debtors: all within one year

	2019 £	2018 £
Current tenant arrears	283,974	20,787
Amount owed by Group undertakings	1,818,855	314,796
Prepayments	2,484,407	992,152
Deposits	7,130,695	2,135,994
Other debtors	1,242,259	487,720
	<b>12,960,190</b>	<b>3,951,449</b>

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

# Sage Housing Limited

## Notes to the financial statements for the year ended 31 December 2019 (continued)

### 8 Cash at bank and in hand

	2019 £	2018 £
Cash at bank and in hand	34,947,893	11,599,198

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

	2019 £	2018 £
Trade creditors	22,773,715	7,218,194
Other taxes and social security costs	238,488	32,550
Other creditors	-	2,674
Accruals	13,856,331	7,531,799
	36,868,534	14,785,217

### 10 Creditors: amounts falling due after more than one year

	2019 £	2018 £
Bank loans	282,973,754	-
Amounts owed to Group undertakings	214,221,961	143,081,118
	497,195,715	143,081,118

  

	2019 £	2018 £
- within one year	-	-
- between one and five years	282,973,754	-
- after five years	214,221,961	143,081,118
	497,195,715	143,081,118

The Company's Bank loans are supplied on the basis of a five-year revolving credit facility entered into on 15 January 2019. As at the year-end, the facility had a maximum facility size of £380m, and subsequent to year-end had been further expanded to £480m. The bank loans are secured by way of first fixed charge over the housing properties. The facility does not have maintenance covenants, only for additional incurrence. These covenants are asset cover tests based on the ratio of the value of the properties secured to the outstanding balance of the loan and are tested at each new draw upon the facility. The facility's interest rate is LIBOR plus 3.0%. Unamortised loan transaction costs of £3,228,042 have been netted off against the bank loan (2018: £nil).

The Company's weighted average interest rate for amounts owed to Group undertakings is 3% (2018: 3%). These intercompany loans are for a ten-year term. These loans are not secured on the assets of the Company.

# Sage Housing Limited

## Notes to the financial statements for the year ended 31 December 2019 (continued)

### 11 Share capital

	2019 £	2018 £
<b>Shares of £1.00 each issued and fully paid</b>		
At the beginning of the year	35,496,940	29,800,560
Issued during the year	10,000,000	5,696,380
	<u>45,496,940</u>	<u>35,496,940</u>

The Company has one class of ordinary shares which carry no right to fixed income. On 13 December 2019 the Company issued 10,000,000 ordinary shares at £1.00 each.

### 12 Capital Commitments

	2019 £	2018 £
Expenditure contracted for but not provided for in the financial statements	<u>835,936,723</u>	<u>539,643,347</u>
Expenditure authorised by the Board but not contracted for	<u>463,000,000</u>	<u>483,400,000</u>

Capital commitments will be financed from rental income, the proceeds of property sales, equity and debt facilities and grants received.

### 13 Commitments under operating leases

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2019 £	2018 £
Within one year	1,583,559	281,398
Between one and five years	608,631	680,045
After five years	-	-
	<u>2,192,190</u>	<u>961,443</u>

## **Sage Housing Limited**

### **Notes to the financial statements for the year ended 31 December 2019 (continued)**

#### **14 Related Party Transactions and Balances**

Sage Investments Sàrl is the Company's immediate parent undertaking. Sage Investments Sàrl provided the Company with an unsecured loan, the maximum value of which at any time was £214,221,961 (2018: £143,081,116). The outstanding balance at the year end was £214,221,961 (2018: £143,081,116). Interest is charged on an arm's length basis at 3%. This balance is classified as amounts owed to Group undertakings in note 10 "Creditors: amounts falling due after more than one year".

Sage Housing Partnerships Limited is a 100% owned subsidiary of the Company's immediate parent undertaking, Sage Investments Sàrl. During 2019, the Company provided Sage Housing Partnerships Limited with an interest-free loan, the maximum value of which at any time was £314,796 (2018: £314,796). The outstanding balance at the year end was £314,796 (2018: £314,796). This balance is classified as amounts owed by Group undertakings in note 7 "Debtors: all within one year".

Sage Rented Limited is a subsidiary undertaking of the Company's immediate parent undertaking, Sage Investments Sàrl. During 2019, the Company provided Sage Rented Limited with an interest-free loan, the maximum value of which at any time was £4,034,688 (2018: £nil). The outstanding balance at the year end was £1,504,059 (2018: £nil). This balance is classified as amounts owed by Group undertakings in note 7 "Debtors: all within one year". The cost of the annual return fee and miscellaneous sundry bank charges was borne by Sage Housing Limited without any right of reimbursement.

The Regis Group is a related party due to its minority shareholding in the Company's parent, Sage Investments Sàrl.

#### **15 Ultimate parent company and control**

The Company's immediate parent undertaking is Sage Investments Sàrl, a company incorporated and registered in Luxembourg. At 31 December 2019, the Company's ultimate parent company and controlling party was Blackstone Real Estate Partners Europe V – NQ L.P.

As at 31 December 2019, Regis Group Holdings Limited has a 10% shareholding in Sage Investments Sàrl, the immediate parent undertaking of the Company, with the remainder being owned by Blackstone Real Estate Partners Europe V – NQ L.P.

## Sage Housing Limited

### Notes to the financial statements for the year ended 31 December 2019 (continued)

#### 16 Group entities

The ultimate parent undertaking is Blackstone Real Estate Partners Europe V – NQ L.P. The following undertakings are subsidiaries of the ultimate parent undertaking by virtue of the ownership of their share capital.

Name of undertaking	Regulator of Social Housing number	Shares Registered held	in	Principal activity
Sage Investments 1 Limited	-	100%	England	Intermediate holding company
Sage Investments 2 Limited	-	100%	England	Intermediate holding company
Sage Shared Ownership Limited	5082	100%	England	Dormant
Sage Rented Limited	5083	100%	England	Management of housing for social lettings and housing development for social lettings
Sage Housing Group Limited	-	100%	England	Management of housing for social lettings and housing development for social lettings
Sage Housing Partnerships Limited	-	100%	England	Housing development for social lettings
Sage Investments Sàrl	-	100%	Luxembourg	Intermediate holding company

#### 17 Post Balance Sheet Event

Since the balance sheet date, COVID-19, a novel virus, has spread globally, to the extent that it is now classified as a Public Health Emergency of International Concern by the World Health Organisation.

While the 2019 Financial Statements have not been affected by the pandemic, there will inevitably be subsequent effects on Sage's business pertaining to social distancing and consequent economic impacts.

Although impacted by the COVID-19 crisis, Sage has modified its operational protocols in alignment with government and independent expert advice. As such, modified tenant services have been put in place, Sage has continued selling and letting new social homes, and developers are now returning to site and building once again, albeit that activity levels remain below pre-crisis benchmarks.

#### 18 Audit Report

The auditor's report was unqualified. The name of the auditor was Deloitte LLP, United Kingdom. James Wright signed the auditor's report as senior statutory auditor.