COMPANY NUMBER: 00686734

ROBERT HITCHINS LIMITED

REPORT AND FINANCIAL STATEMENTS

31 MARCH 2023

ROBERT HITCHINS LIMITED
STRATEGIC REPORT
YEAR ENDED 31 MARCH 2023

The directors present the Strategic Report of Robert Hitchins Limited for the year ended 31 March 2023.

REVIEW OF THE BUSINESS IN THE YEAR

The directors consider operating profit to be the key measure of performance of the business.

The year to 31 March 2023 shows an operating profit of £75.7m compared to £36.1m in the previous year. This profit was underpinned by ongoing revenue from land sales where enabling works have been completed but included development margins from two completed commercial build projects for group companies and one design and build contract for an external client. The company has continued to develop its business and trade profitably following the year end.

POSITION OF THE COMPANY'S BUSINESS AT THE END OF THE YEAR

The company continues to trade successfully on all fronts despite the slowing of the economy. The planning process has become more protracted and the demand for land has slowed, but the company retains a strong commercial development pipeline. Ongoing receipts from previous sales of substantial serviced sites will underpin cashflow in the coming years, as well as provide much needed housing and road and social infrastructure improvements. Demand for commercial development has centred around the industrial and e-commerce/distribution sectors, but the company has continued to be successful in attracting and building out new pre-let retail units both during the year and since year end.

PRINCIPAL RISKS AND UNCERTAINTIES FACING THE BUSINESS

The principal risk facing the company at the current time is a delay in the achievement of planning permission for its larger residential sites. The company continues to work closely with local councils to achieve the best outcomes for all concerned parties.

The slowing of the economy largely caused by the worldwide rise in inflation has caused significant uncertainty. Construction is likely to help lead the economy out of the downturn and the company is well placed to take advantage of opportunities that arise. Rental collection has remained at very high levels, underlining the quality of the company's tenant base.

The level of borrowings and interest rates are kept under review by the directors with a view to managing finance charges and interest risk. The company has engaged in interest rate swaps to minimise risk.

The company is exposed to a potential downturn in the economic fortunes of the country. However, it has a broad range of land holdings suitable for a number of uses and is modernising and diversifying its commercial portfolio; this diversity minimises the impact of the economic cycle.

DIRECTORS' DUTY TO PROMOTE THE SUCCESS OF THE COMPANY

Under Section 172(1) of the Companies Act the directors are required to engage with their members, employees and other stakeholders to ensure that their actions promote the long term strategic interests of the business. As a long-standing family company in Gloucestershire and the surrounding areas, the directors understand their role in the community and take this responsibility seriously.

The strategic objectives of the company are clear and well known to the company's members and employees. Many decisions made by the directors are to maintain the future prospects for the property portfolio such that the business is sustainable for the next decade. We work with our stakeholders to deliver high quality projects and developments which will enhance the communities in which they sit.

Engagement with Employees

The company has less than 50 staff and all are based in one location. While there are clear reporting lines through a departmental structure, all directors have an open-door policy and dialogue is encouraged. Staff retention rates are very high and there are several staff with more than 30 years of service. Staff are rewarded through a number of bonus schemes which reflect both company and personal performance.

Engagement with Stakeholders

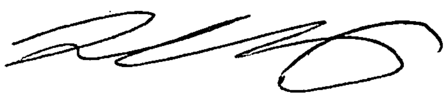
The nature of the company's business requires collaboration between our suppliers, ourselves and our customers. Without that engagement it is less likely that the company will be able to deliver the level of quality product that we have a reputation for. We maintain close links with construction companies, planning advisors, architects and housebuilders and actively seek to use suppliers based within the South West region to encourage the local economy.

Environment and Community

The directors are very conscious of the impact the company's activities have on the environment and the local community. Our developments are designed and constructed to at least meet, and usually exceed, any environmental standards required. Community recreation facilities and schools have been provided at many of our recently developed residential sites.

The company engages with the Gloucestershire Community Foundation, a charity the company's parent helped to establish several years ago through its charitable trust. That trust holds an endowment with the Foundation which provides approximately £100,000 of funds annually to be distributed to people and communities in need in Gloucestershire.

Approved by the board on 7th December 2023



J C Hitchins
Director

The directors present their report and financial statements for the year ended 31 March 2023.

PRINCIPAL ACTIVITIES

The principal activities of the company are property development, management and contracting.

RESULTS AND DIVIDEND

The financial statements for the year ended 31 March 2023 show a profit after tax of £60,731,674 (2022: £27,746,165). The profit is attributable mainly to the sale of serviced land sites and to development margins on newly built commercial properties. The directors paid a dividend on the preference shares of £2,800 (2022: £2,800) and on the ordinary shares of £Nil (2022: £2,000,000) during the year. A final dividend is proposed of £1,000,000 (2022: £1,000,000).

DIRECTORS

The following have served as directors during the financial year and are considered to be the key management of the company:

J R Hitchins (Chairman)
J C Hitchins
A J Hill
J J S Dunley
G R Jeynes
S J Tothill

None of the directors had any interest in the share capital of the company.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Directors' Report and the Financial Statements in accordance with applicable laws 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 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to assume 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.

MANDATORY STREAMLINED ENERGY AND CARBON REPORTING (SECR)

The Company fulfils the statutory requirements for Streamlined Energy and Carbon Reporting which includes disclosure of the Company's carbon emissions. Under the Companies Act 2006 / SECR Regulations, 'Large' companies' are required to report their annual emissions in their Directors' report.

This Streamlined Energy and Carbon Reporting statement covers the reporting period 1st April 2022 to 31st March 2023 and has been prepared in line with the requirements of the Streamlined Energy and Carbon Reporting regulations and the relevant areas of the Greenhouse Gas ('GHG') Protocol Corporate Accounting and Reporting Standard on a Location basis.

Total energy consumption for 2022/23 was 882,159 kWh (2022: 2,246,164 kWh) equating to 175.5 tCO_2e (2022: 449.0)

Carbon intensity: Emissions of tCO_2e/employee for 2022/23 was 4.33 tCO_2e (2022: 10.82)

This decrease can be attributed to the sale of a large, old industrial building complex and energy improvements made to existing retained stock. The company has also continued the transition of its fleet to electrified vehicles and provides workplace charging points.

AUDIT

In the case of each of the persons who are directors at the time this report is approved:

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- he 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.

AUDITORS

Crowe U.K. LLP are deemed to be reappointed in accordance with section 485 of the Companies Act 2006 by virtue of an elective resolution passed by the members.

By Order of the Board

J J S Dunley
Director & Company Secretary

7th December 2023

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ROBERT HITCHINS LIMITED

Opinion

We have audited the financial statements of Robert Hitchins Limited for the year ended 31 March 2023 which comprise of a Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and notes to the financial statements, including 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 2023 and of its profit for the year then ended;
- 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

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 contained within the annual report. The other information comprises the information included in the annual report, 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 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.

Opinion on other matter prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have 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 strategic report or 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 by the company, 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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.

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 frameworks within which the company operates. We also considered and obtained an understanding of the U.K. legal and regulatory framework which we considered in this context were the Companies Act 2006 and U.K. taxation legislation.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals and reviewing accounting estimates for biases including agreeing to supporting evidence where appropriate.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

A further description of our responsibilities for the audit of the financial statements is available on the Financial Reporting Council's website at: 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.

M Stallabrass

Matthew Stallabrass
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
55 Ludgate Hill
London EC4M 7JW

13th December 2023

STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 31 MARCH 2023

	Notes	2023 £	2022 £
TURNOVER	1(c)	**130,717,958**	*89,328,338*
Cost of sales		**(49,854,311)**	*(41,708,068)*
GROSS PROFIT		**80,863,647**	*47,620,270*
Other operating income	3	**2,340,568**	*2,428,226*
Administrative expenses		**(7,511,593)**	*(6,952,461)*
Write-down of investments		**-**	*(7,000,000)*
OPERATING PROFIT		**75,692,622**	*36,096,035*
Interest receivable		**832,013**	*50,074*
Finance charges	7	**(41,764)**	*(166,984)*
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	**76,482,871**	*35,979,125*
Tax charge on profit on ordinary activities	6	**(15,751,197)**	*(8,232,960)*
PROFIT AFTER TAXATION		**60,731,674**	*27,746,165*
Gain on pension fund liability	19	**1,716,000**	*354,000*
COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		**62,447,674**	*28,100,165*

All amounts relate to continuing operations.

All of the comprehensive income for the year is attributable to the owners of the company.

The related notes 1 to 19 form an integral part of these financial statements

ROBERT HITCHINS LIMITED
BALANCE SHEET
31 MARCH 2023

	Notes	2023 £	2022 £
NON-CURRENT ASSETS			
Tangible fixed assets	8	**1,000,081**	*882,342*
Investments	9	**31,844,176**	*31,842,077*
Debtors due in more than one year	11	**15,046,899**	*24,808,593*
		47,891,156	*57,533,012*
CURRENT ASSETS			
Stocks	10	**74,459,900**	*90,489,098*
Debtors	11	**138,215,263**	*92,625,665*
Cash		**37,019,710**	*2,129,889*
		249,694,873	*185,244,652*
CREDITORS: amounts falling due within one year	12	**(54,644,762)**	*(65,082,052)*
NET CURRENT ASSETS		**119,757,600**	*120,162,600*
TOTAL ASSETS LESS CURRENT LIABILITIES		**242,941,267**	*177,695,612*
CREDITORS: amounts falling due in more than one year	13	**(18,783,273)**	*(13,983,273)*
DERIVATIVE FINANCIAL INSTRUMENTS	13	**-**	*(286,019)*
NET ASSETS EXCLUDING PENSION LIABILITY		**224,157,994**	*163,426,320*
PENSION LIABILITY	19	**(13,000)**	*(1,729,000)*
NET ASSETS		**224,144,994**	*161,697,320*
CAPITAL AND RESERVES			
Called up equity share capital	14	**12,000**	*12,000*
Profit and loss account	15	**224,132,994**	*161,685,320*
SHAREHOLDER'S FUNDS		**224,144,994**	*161,697,320*

Approved and authorised for issue by the Board on 7th December 2023 and signed on their behalf by:

J C Hitchins
Director

The related notes 1 to 19 form an integral part of these financial statements

ROBERT HITCHINS LIMITED
STATEMENT OF CHANGES IN EQUITY
31 MARCH 2023

	Share Capital £	Profit & Loss Account £	Total £
As at 1 April 2021	**12,000**	**135,585,155**	**135,597,155**
Comprehensive income for the year	-	28,100,165	**28,100,165**
Dividends paid	-	(2,000,000)	**(2,000,000)**
At 31 March 2022	**12,000**	**161,685,320**	**161,697,320**
Comprehensive income for the year	-	62,447,674	**62,447,674**
Dividends paid	-	-	-
At 31 March 2023	**12,000**	**224,132,994**	**224,144,994**

The related notes 1 to 19 form an integral part of these financial statements

1. ACCOUNTING POLICIES

a) Basis of Accounting

Robert Hitchins Limited is a company registered in England & Wales with number 00686734. Its registered office is The Manor, Boddington, Cheltenham, GL51 0TJ. The financial statements have been prepared under the historical cost convention, as modified for the revaluation of certain assets, and in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102, and the Companies Act 2006. The financial statements present information about the company as individual undertaking and not about its group. The company is exempt from preparing consolidated financial statements on the grounds that it is wholly owned by an EU registered company, The Robert Hitchins Group Limited, which itself produces consolidated financial statements.

Under FRS 102 section 7, the company is exempt from the requirement to prepare a cashflow statement on the grounds that its parent undertaking includes the company in its own published consolidated financial statements.

b) Going Concern

The financial statements are presented on a going concern basis. In assessing the Company's ability to continue as a going concern, the directors have taken into consideration all available information relating to the 12 month period from the date of approval of these financial statements, including current and future trading, cash flow forecasts and available banking facilities.

c) Turnover

Turnover consists of sales of land and other property and excludes VAT. The majority of sales are made in the UK. Sales are accounted for on unconditional exchange of contracts or according to the value of work performed on long term contracts. Where the company recognises receipts that are deferred beyond normal business terms, the financial asset is measured as the present value of the future receipts discounted at a market rate of interest. Revenue is recognised on the discounted amount and the discount as interest income as it is unwound.

d) Tangible Fixed Assets

Tangible fixed assets are depreciated over their anticipated useful economic lives, with the exception of freehold land and those freehold buildings on which residual value is anticipated to be greater than cost, at the following rates:

Computers, plant and machinery	- 15% to 25% per annum
Motor vehicles	- 25% per annum
Fixtures and fittings	- 15% per annum

e) Stock

Land is valued at the lower of cost and net realisable value. Work-in-progress and completed buildings are valued at the lower of cost and net realisable value, less cash received on account. Cost includes materials, sub contract labour and applicable overheads.

f) Pension Costs

Pension costs are charged to the profit and loss account to spread the costs over the average remaining service lives of employees. The pension scheme is a multi-employer defined benefit scheme and the company is unable to identify its share of the underlying assets and liabilities. A full actuarial valuation of the scheme was carried out as at 1 June 2021 and updated to 31 March 2023. FRS 102 disclosure for the Group Pension Scheme is provided in note 19 and shows a deficit in the scheme of £13,000 (2022: £1,729,000).

1. ACCOUNTING POLICIES (Continued)

g) Deferred taxation

Full provision is made for deferred tax in respect of timing differences which have arisen but not reversed at the balance sheet date, at the tax rates that are expected to apply in the periods in which they are expected to reverse, based on the tax rates and laws that have been enacted or substantially enacted at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements. Deferred tax is measured on a non-discounted basis. No provision is made for deferred tax assets unless recoverability is thought more likely than not.

h) Long term contracts

The value of long term contracts is based on recoverable costs plus corresponding profit. As projects reach stages where it is considered that their outcome can be reasonably foreseen, appropriate proportions of the expected total profit are brought into the financial statements. Amounts recoverable on long term contracts are included in debtors; payments on account in excess of amounts recoverable on long term contracts are included in creditors. Provision is made for all known and anticipated losses.

i) Derivative financial instruments

Derivative financial instruments are recognised at fair value with any gains/losses reported in profit or loss. Outstanding derivative positions at the balance sheet date are included in note 11.

j) Financial liabilities

Basic financial liabilities include trade and other payables, bank loans and loans from group companies. They are recognised at transaction price, unless the arrangement is a financing transaction, where the debt instrument is measured at the present value of future payments discounted at a market rate of interest. Debt instruments are therefore carried at amortised cost.

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing these financial statements the Directors are required to make certain estimates and judgements. In their opinion there are three areas where these may have a material effect:

i) Valuation of land holdings – within stock the group holds land at different stages in its development cycle. The valuation of these holdings is subjective in nature but is generally based on the directors' opinion of the open market value of each site where it is below cost. Two directors are members of the Royal Institute of Chartered Surveyors and the board additionally uses external valuations when available.

ii) Valuation of investments – the company holds investments in subsidiaries and associated companies. The directors review the accounts of these companies in determining whether the carrying value of the investment is appropriate.

iii) Costs to complete on long term contracts – as per the policy above, estimation of future costs has an impact on profit taken on such contracts in the year. Estimates of future costs are provided by contractual obligations or professional advisors.

3. OTHER OPERATING INCOME

	2023	*2022*
	£	*£*
Rent receivable (net)	**2,265,730**	*2,391,606*
Profit on disposal of tangible fixed assets	**12,653**	*2,100*
Miscellaneous income	**62,185**	*34,520*
	2,340,568	*2,428,226*

4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2023 £	*2022 £*
Is stated after charging:		
Depreciation	**85,444**	*87,702*
Auditor's remuneration	**77,124**	*60,432*
Total remuneration of:		
Directors	**1,750,762**	*1,901,206*
Interest payable		
On bank overdrafts and loans	**1,462,726**	*2,383,065*
Movement in mark to market adjustment	**(1,449,748)**	*(2,270,246)*
Fees to the company's auditors for non-audit services were:		
Services relating to taxation compliance	**42,200**	*40,970*
Other taxation and advisory services	**10,245**	*8,775*

5. EMPLOYEE INFORMATION

(a) Staff Costs (including directors)

	2023 £	*2022 £*
Aggregate gross wages and salaries	**4,047,407**	*3,538,342*
Employer's National Insurance Contributions	**550,576**	*477,676*
Employer's Pension Costs	**277,735**	*367,397*
	4,875,718	*4,383,415*

The average number of persons (including directors) employed by the company during the year was 46 (2022: 48), being employed in:

	2023 No.	*2022 No.*
Property development, management and design	**24**	*26*
Finance, legal, administration and other	**22**	*22*
	46	*48*

b) Directors' Emoluments (excluding pension costs)

	£	*£*
Highest paid director	**556,015**	*614,102*

The number of directors accruing benefits under group pension schemes are:

	No.	*No.*
Defined benefit scheme	**1**	*1*
Defined contribution scheme	**2**	*2*

c) Certain employees and directors are members of The Robert Hitchins Group Pension Scheme, a multi-employer defined benefit scheme. Contributions to the scheme are determined by qualified actuaries on the basis of triennial valuations. The last actuarial valuation was carried out as at 1 June 2021 and updated to 31 March 2023. Further details of the scheme are set out in note 19.

d) Certain directors are members of The Robert Hitchins Group Executive Pension Scheme, a small self-administered defined contribution scheme.

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2023 £	2022 £
a) The taxation charge comprises:		
UK Corporation Tax	**14,173,734**	*7,420,117*
Residential Property Developers' Tax	**1,404,399**	-
Compensation for losses surrendered to/(by) group undertakings	**210,028**	*413,601*
Deferred Taxation (see c below)	**(22,617)**	*401,117*
(Over)/under provision for prior years	**(14,347)**	*(1,875)*
Total tax charge in year	**15,751,197**	*8,232,960*
b) Factors affecting the tax charge for the year		
Profit/(loss) on ordinary activities before taxation	**76,482,871**	*35,979,125*
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2022: 19%)	**14,531,745**	*6,836,034*
Effects of :		
Expenses/(income) excluded for tax purposes	**(265,816)**	*1,332,298*
Deferred tax adjustments	**(5,428)**	*(34,746)*
Deduction for land remediation/super deduction	**(69,159)**	-
Transfer pricing	**194,010**	*101,737*
Residential property developers' tax	**1,404,399**	-
Other adjustments	**(38,554)**	*(2,363)*
Current tax charge	**15,751,197**	*8,232,960*

c) Deferred taxation movement in the year

At 1 April 2022	30,660
Charge for the year	(22,617)
At 31 March 2023	**53,277**

The deferred taxation asset is included in debtors.

d) Deferred taxation

	2023 £	2022 £
Accelerated capital allowances	**23,808**	*31,602*
Revaluation of financial derivatives	-	*(29,173)*
Short term timing differences	**29,469**	*28,231*
	53,277	*30,660*

7. FINANCE CHARGES

	2023 £	2022 £
5.6% Cumulative Preference shares dividend paid	**2,800**	*2,800*
Bank interest payable	**1,462,726**	*2,383,065*
Other interest payable	**25,986**	*51,365*
Movement in mark to market adjustment	**(1,449,748)**	*(2,270,246)*
	41,764	*166,984*

8. TANGIBLE FIXED ASSETS

	Total £	Freehold Land and buildings £	Fixtures and Fittings £	Computers Plant and Machinery £	Motor Vehicles £
Cost					
At 1 April 2022	2,662,969	736,996	384,196	843,267	698,510
Additions	221,079	-	11,072	32,247	177,760
Disposals	(87,175)	-	-	-	(87,175)
At 31 March 2023	**2,796,873**	**736,996**	**395,268**	**875,514**	**789,095**
Depreciation					
At 1 April 2022	1,780,627	-	377,765	814,903	587,959
Charge for the year	85,444	-	2,923	17,905	64,616
Disposals	(69,279)	-	-	-	(69,279)
At 31 March 2023	**1,796,792**	**-**	**380,688**	**832,808**	**583,296**
Net book values					
31 March 2023	**1,000,081**	**736,996**	**14,580**	**42,706**	**205,799**
31 March 2022	*882,342*	*736,996*	*6,431*	*28,364*	*110,551*

9. INVESTMENTS

	£
At 1 April 2022	31,842,077
Additions	2,100
Write-downs	(1)
At 31 March 2023	**31,844,176**

The following UK subsidiary undertakings, with a cost of £4,526,549, are 100% owned by the company and each of the trading entities has the same registered office as the company:

Name	Principal activity
Urban and Regional Property Services Limited	Administrative services
Eastern Business Park Limited	Property investment and management
Cheltenham Office Park Limited	Non-trading
Grovefield Car Parking Limited	Property development
St. Mellons 2 Limited	Dormant
Castlegate Business Park Limited	Non-trading
Robert Hitchins Investment Properties Limited	Property investment and management
RH Kingsway No.1 Limited	Dormant
RH Kingsway No.2 Limited	Property investment and management
Junction 9 Holdings Limited	Dormant

The Company owns a controlling 80.73% (2022: 80.33%) interest in the share capital of Bahia del Almanzora SL, a Spanish company which owns land and property in Southern Spain.

The company holds a 14.6% interest in its associate Desert Springs SL, a golf development in the Almanzora Valley, Spain. This Spanish company has an accounting date of 31 December and its results are included in the consolidated group accounts. The carrying value of this investment is reviewed each year for appropriateness.

10. STOCKS

	2023	2022
	£	£
Land	41,750,843	45,594,006
Work in progress	10,373,387	23,302,525
Completed buildings	22,335,670	21,592,567
	74,459,900	90,489,098

11. DEBTORS

	2023	2022
	£	£
Trade debtors	28,997,770	11,381,441
Amounts owed by group undertakings	44,183,324	37,070,954
Amounts owed by related undertakings	30,806,087	26,763,683
Other debtors	3,039,028	2,041,222
Derivative financial instruments	1,566,439	402,711
Corporation tax	683,849	-
Deferred tax	53,277	30,660
Prepayments and accrued income	28,885,489	14,934,994
	138,215,263	92,625,665

Trade debtors above includes £11,000,000 (2022: £11,000,000) of future instalments on land sales not yet due. These amounts are secured either on the land sold or by promissory notes. A further £15,046,899 (2022: £24,808,593) of such payments due in more than year are shown within fixed assets having been discounted to current values.

Derivative financial instruments represents the mark to market valuation of the company's interest rate swaps with Lloyds Bank and Santander Bank which expire in 2024 and are currently in the money.

12. CREDITORS: amounts falling due within one year

	2023	2022
	£	£
Bank loans and overdrafts (secured on stocks)	1,799,599	2,192,986
Trade creditors	3,418,958	6,459,621
Deferred income	30,746,404	36,927,031
Amounts owed to group undertakings	11,610,426	12,188,457
Other creditors	90,000	90,000
Corporation tax	-	1,023,299
Taxation and social security	116,812	153,767
Accruals	6,862,563	6,046,891
	54,644,762	65,082,052

The bank overdraft carried an interest rate of 3.0% over base rate during the year.

13. CREDITORS: amounts falling due after more than one year

	2023 £	2022 £
50,000 5.6% Cumulative Preference shares of £1 each	**50,000**	*50,000*
Bank loans (secured on stocks)	**18,733,273**	*13,933,273*
Other creditors	-	-
	18,783,273	*13,983,273*
Derivative financial instruments	-	*286,019*
	18,783,273	*14,269,292*

The bank loans bore interest at 2.75% over LIBOR/SONIA during the year. The company had £15m of undrawn revolving facilities available at the year end date.

'Derivative financial instruments' represents the mark to market valuation for the company's interest rate swaps with Lloyds Bank which expire in 2023 and 2024. This amount is now shown in debtors as the swaps are in the money.

14. SHARE CAPITAL

	2023 £	2022 £
Equity:		
Authorised, allotted and fully paid:		
1,000 Ordinary shares of £1 each	**1,000**	*1,000*
11,000 Deferred shares of £1 each	**11,000**	*11,000*
	12,000	*12,000*
Non-equity:		
50,000 5.6% Cumulative Preference shares of £1 each	**50,000**	*50,000*

In accordance with FRS 102, non-equity share capital has been classified as long term liabilities (note 13)

15. MOVEMENT ON COMPANY RESERVES

	Profit & Loss Account £
At 1 April 2022	161,685,320
Comprehensive income for the financial year	62,447,674
Dividends paid to ordinary members	-
At 31 March 2023	**224,132,994**

16. FINANCIAL RISK MANAGEMENT

The company is exposed to 3 principal types of risk – interest rate, foreign exchange and liquidity. Each is managed differently as follows:

i) Interest rate risk is managed by taking out fixed rate swaps against the floating rate bank debt. At year end the company had £20.9m of debt subject to such swaps. Under FRS 102 these swaps are valued annually at their fair market value and any movement is reflected in the interest charge for the year.

The market value adjustment recorded in the current year's accounts was a benefit of £1,449,748 (2022: £2,270,246). The fair value adjustment in the balance sheet of £1,566,439 is now shown in debtors.

ii) The company is exposed to foreign exchange risk through its ownership of certain assets in Spain. This exposure cannot be effectively managed as there is no certainty when the investments will be realised. Investments and loans to the Spanish businesses are denominated in sterling and therefore there is no valuation risk to the balance sheet.

iii) The company is subject to liquidity risk as a significant proportion of its revenues are by their nature large and irregular. While the company generally expects to meet its financial obligations through operational cashflows, it maintains revolving credit facilities with its banks and manages its cashflow projections throughout the year on a weekly basis.

FINANCIAL ASSETS AND LIABILITIES	2023 £	*2022* *£*
Investments at cost less impairment	**31,844,176**	*31,842,077*
Financial assets at fair value	**1,566,439**	*402,711*
Financial assets at discounted value	**15,046,899**	*24,808,593*
Other financial assets at cost	**141,006,891**	*77,446,048*
Financial liabilities at fair value	-	*286,019*
Debt instruments at amortised cost	**20,532,872**	*16,126,259*
Other financial liabilities at cost	**15,029,384**	*18,648,078*

17. ULTIMATE PARENT UNDERTAKING

These accounts are consolidated in those of its parent The Robert Hitchins Group Limited. The company's ultimate parent undertaking is Bay Group Limited, a company incorporated in Bermuda.

18. RELATED PARTY TRANSACTIONS

The company transacts business with its immediate parent undertaking The Robert Hitchins Group Limited and its other subsidiary and fellow group undertakings. These transactions are not disclosed as they are eliminated in the consolidated financial statements of the immediate parent undertaking available from the Registrar of Companies, Cardiff.

The company had outstanding loans of £30,806,087 (2022: £26,763,683) due from Desert Springs SL, an associated company. Interest of £497,160 was charged in the year (2022: £515,281). The company also has a loan of £1,450,000 (2022: £700,000) to Readyhome Limited, a related undertaking, on which interest on normal commercial terms of £23,450 (2022: £23,450) was charged.

The company has entered a set-off agreement with one of its banks under which it has pledged its property assets to secure the banking liabilities of certain other group undertakings.

19. DEFINED BENEFIT PENSION SCHEME

a) Latest actuarial valuation

The company is the principal employer in the group operated defined benefit scheme in the UK. A full actuarial valuation was carried out as at 1 June 2021.

b) FRS 102 information

The valuation of the scheme is reassessed as at 31 March each year by a qualified independent actuary for the purposes of the financial reporting standard FRS102. The major assumptions used by the actuary were:

	At 31 March 2023	*At 31 March 2022*
Rate of increase in salaries	**3.7%**	*3.6%*
Rate of increase in pensions in payment	**3.2%**	*3.1%*
Discount Rate	**4.7%**	*2.8%*
Inflation	**3.3%**	*3.1%*
Life expectancy for 65 year old male (years)	**20.6**	*21.6*
Life expectancy for 65 year old female (years)	**22.9**	*23.6*

The assumptions used by the actuary are the best estimates chosen from a range of possible actuarial assumptions which, due to the timescale covered, may not necessarily be borne out in practice.

The amounts recognised in the balance sheet are as follows:

	Value at 31 March 2023 £000	*Value at 31 March 2022 £000*
Present value of funded obligations	**(8,865)**	*(12,104)*
Fair value of plan assets	**8,852**	*10,375*
Net (liability)	**(13)**	*(1,729)*

Represented in the balance sheet as:

Liabilities	**(13)**	*(1,729)*
Assets	**-**	*-*
Net (liability)	**(13)**	*(1,729)*

The amounts recognised in the profit and loss are as follows:

	Value at 31 March 2023 £000	*Value at 31 March 2022 £000*
Current service cost	**76**	*73*
Interest on obligation	**340**	*236*
Expected return on plan assets	**(291)**	*(194)*
Total	**125**	*115*
Actual return on plan assets	**(1,417)**	*655*

19. DEFINED BENEFIT PENSION SCHEME (continued)

Changes in the present value of the defined benefit obligation are as follows:

	Value at 31 March 2023 £000	*Value at 31 March 2022 £000*
Opening defined benefit obligation	**12,104**	*11,806*
Service cost	**76**	*73*
Interest cost	**340**	*236*
Actuarial losses/(gains) – Change in assumptions	**(3,411)**	*(152)*
Actuarial losses/(gains) – Liability experience	**(12)**	*237*
Benefits paid	**(232)**	*(96)*
Closing defined benefit obligation	**8,865**	*12,104*

Changes in the fair value of plan assets are as follows:	**£000**	*£000*
Opening value of plan assets	**10,375**	*9,723*
Expected return	**291**	*194*
Actuarial gains and (losses)	**(1,708)**	*461*
Contributions by employer	**92**	*60*
Contributions by members	**34**	*33*
Benefits paid	**(232)**	*(96)*
Total	**8,852**	*10,375*

The company expects to contribute £74,000 (2022: £62,000) to its defined benefit pension plan in the year to 31 March 2023.

Major categories of plan assets (as a percentage of total plan assets)	**Value at 31 March 2023**	*Value at 31 March 2022*
Equity	**24%**	*22%*
Property	**37%**	*34%*
Fixed interest	**26%**	*29%*
Index linked	**11%**	*13%*
Cash	**2%**	*2%*

Amounts for the current and previous 4 periods are as follows:

Values at 31 March	**2023 £'000**	2022 £'000	2021 £'000	2020 £'000	2019 £'000
Defined benefit obligation	**(8,865)**	(12,104)	(11,806)	(9,943)	(10,944)
Plan assets	**8,852**	10,375	9,723	9,324	9,851
Net deficit	**(13)**	(1,729)	(2,083)	(619)	(1,093)
Experience adjustments on plan liabilities	**3,423**	(85)	(1,648)	1,118	(544)
Experience adjustments on plan assets	**(1,708)**	461	180	(647)	490