

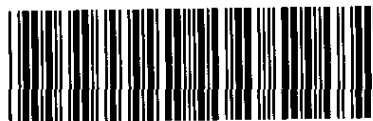
LANDS IMPROVEMENT HOLDINGS LIMITED

UNAUDITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

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LANDS IMPROVEMENT HOLDINGS LIMITED

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LANDS IMPROVEMENT HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2021

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

Principal activities and future developments

The company invests in strategic land itself and via its subsidiaries for the purpose of development. It is not envisaged that the company will initiate any plans to restructure its principal activities in the forthcoming year.

Directors

The directors who served during the year and up to the date of signing the financial statements were:

Adam Dakin
Graham Edwards
Russell Gurnhill
Michael Hackenbroch
Graeme Hunter
James Stone

Qualifying third party indemnity provisions

Qualifying third party indemnity provisions (as defined by section 234 of the Companies Act 2006), commonly known as Directors' and Officers' insurance, in relation to certain losses and liabilities which the directors may incur (or have incurred) to third parties in the course of their professional duties, were in force for the directors for their periods of directorship and at the date of this report.

Dividends

The directors do not propose the payment of a dividend (2020: £10,800,000).

Going concern and COVID-19

The company had net assets of £1,504,000 but net current liabilities of £1,373,000 at 31 March 2021.

As at the date of signing these financial statements, the COVID-19 outbreak has caused significant disruption to the UK economy. The company owns strategic land and the value of some of the company's subsidiaries are underpinned by the value of their land portfolios. The value of strategic land is largely unaffected by the pandemic owing to the continuing nationwide shortage of land available for housing development. The directors consider that the risk of the pandemic having a significant impact on the company's net assets is low as the company holds land for medium term development and is not exposed to short term fluctuations in residential markets. The directors do not anticipate a material change in the timing of future sales or of values achieved.

The company is a guarantor and obligor to a five year HSBC Bank Plc facility, maturing in March 2026, extended to LIH Financing Limited ("LIHFL"), an indirect parent company. The company, together with other fellow group undertakings jointly and severally guarantee the obligations of each party to the borrowing. The loan is secured on land held by certain LIHFL subsidiaries. Management reviews the loan covenants on a quarterly basis. The directors consider that the financing has sufficient headroom on its loan covenants that they will not be breached in the period to maturity.

The directors have received confirmation that Lands Improvement Group Limited intends to support the company for at least one year after these financial statements are signed. As such, the directors are satisfied that the company will be able to meet its ongoing commitments and obligations for at least 12 months from the date of signing the financial statements and that it is appropriate to prepare the financial statements on a going concern basis.

LANDS IMPROVEMENT HOLDINGS LIMITED

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

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 Section 1A, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

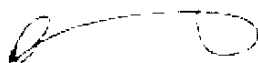
The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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.

Small companies note

In preparing this report, the directors have taken advantage of the small companies' exemptions provided by section 415A of the Companies Act 2006. They have also taken advantage of the exemptions provided by section 414B of the Companies Act 2006 in not preparing a Strategic Report.

This report was approved by the board on 3 February 2022 and signed by order of the board.



Aaron Burns
Company Secretary

LANDS IMPROVEMENT HOLDINGS LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021 £000	2020 £000
Operating income	3	4	161
Operating expenses	4	(74)	(94)
Operating (loss)/profit		<u>(70)</u>	<u>67</u>
Impairment of investment	9	-	(422)
Income from shares in group undertakings		-	2,300
Interest receivable and similar income	6	-	400
Interest payable and similar expenses	7	(95)	(504)
(Loss)/profit before tax		<u>(165)</u>	<u>1,841</u>
Tax on (loss)/profit	8	30	30
(Loss)/profit for the financial year		<u>(135)</u>	<u>1,871</u>
Retained earnings at the beginning of the year		932	9,861
(Loss)/profit for the financial year		(135)	1,871
Dividends declared and paid		-	(10,800)
Retained earnings at the end of the year		<u>797</u>	<u>932</u>

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

The notes on pages 5 to 16 form part of these financial statements.

LANDS IMPROVEMENT HOLDINGS LIMITED
REGISTERED NUMBER: 01257600

BALANCE SHEET
AS AT 31 MARCH 2021

	Note	2021 £000	2020 £000
Fixed assets			
Investments	9	2,877	2,877
Properties held for sale	10	-	1,450
		<u>2,877</u>	<u>4,327</u>
Current assets			
Stocks	11	1,450	-
Debtors: amounts falling due within one year	12	541	473
Cash at bank and in hand		1	-
		<u>1,992</u>	<u>473</u>
Creditors: amounts falling due within one year	13	(3,365)	(3,161)
Net current liabilities		<u>(1,373)</u>	<u>(2,688)</u>
Net assets		<u>1,504</u>	<u>1,639</u>
Capital and reserves			
Called up share capital	15	543	543
Share premium account		164	164
Retained earnings		797	932
Total equity		<u>1,504</u>	<u>1,639</u>

For the year ending 31 March 2021 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies. The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

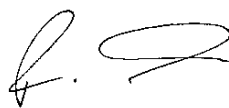
The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 3 February 2022.



Michael Hackenbroch
Director



Russell Gurnhill
Director

The notes on pages 5 to 16 form part of these financial statements.

LANDS IMPROVEMENT HOLDINGS LIMITED

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

1. Accounting policies

General information

The company is a private company limited by shares and is incorporated and domiciled in England and Wales. The principal activities of the company are disclosed in the Director's Report on page 1. The registered office of the company is disclosed in note 18.

Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis, under the historical cost convention as modified by revaluation of certain assets at fair value and in compliance with the Companies Act 2006 and Section 1A of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ("FRS 102").

The financial statements have been prepared in Sterling (rounded to the nearest thousand pounds), which is the functional and presentational currency of the company.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (note 2).

Going concern and COVID-19

The company had net assets of £1,504,000 but net current liabilities of £1,373,000 at 31 March 2020.

As at the date of signing these financial statements, the COVID-19 outbreak has caused significant disruption to the UK economy. The company owns strategic land and the value of some of the company's subsidiaries are underpinned by the value of their land portfolios. The value of strategic land is largely unaffected by the pandemic owing to the continuing nationwide shortage of land available for housing development. The directors consider that the risk of the pandemic having a significant impact on the company's net assets is low as the company holds land for medium term development and is not exposed to short term fluctuations in residential markets. The directors do not anticipate a material change in the timing of future sales or of values achieved.

The company is a guarantor and obligor to a five year HSBC Bank Plc facility, maturing in March 2026, extended to LIH Financing Limited ("LIHFL"), an indirect parent company. The company, together with other fellow group undertakings jointly and severally guarantee the obligations of each party to the borrowing. The loan is secured on land held by certain LIHFL subsidiaries. Management reviews the loan covenants on a quarterly basis. The directors consider that the financing has sufficient headroom on its loan covenants that they will not be breached in the period to maturity..

The directors have received confirmation that Lands Improvement Group Limited intends to support the company for at least one year after these financial statements are signed. As such, the directors are satisfied that the company will be able to meet its ongoing commitments and obligations for at least 12 months from the date of signing the financial statements and that it is appropriate to prepare the financial statements on a going concern basis.

LANDS IMPROVEMENT HOLDINGS LIMITED

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

1. Accounting policies (continued)

Disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102:

- (i) preparation of a statement of cash flows in accordance with paragraph 1A.7 of FRS 102, on the basis that it is a small entity;
- (ii) preparation of a statement of changes in equity in accordance with paragraph 1A.7 of FRS 102, on the basis that it is a small entity;
- (iii) *certain financial instrument disclosures in accordance with paragraph 1.12 (c) of FRS 102, on the basis the equivalent disclosures are included in a parent company's own consolidated financial statements. This information is included in the consolidated financial statements of Lands Improvement Group Limited as at 31 March 2021; and*
- (iv) related party disclosures in accordance with paragraph 33.1A of FRS 102, to the extent that the company transacts with other wholly owned subsidiaries of the group.

Group financial statements

The company is itself a subsidiary company and is exempt from the requirement to prepare group financial statements by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

The following principal accounting policies have been applied consistently to all years presented unless stated otherwise:

Interest

Interest income and expense is recognised in the Statement of Income and Retained Earnings using the effective interest method. Finance costs are charged to the Statement of Income and Retained Earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount.

Operating income

Income from promotion contracts is recognised by reference to the stage of completion of the contract, when the outcome of the transaction can be estimated reliably.

Other income is recognised in the Statement of Income and Retained Earnings on an accrual basis. The company recognises other operating income when the amount of revenue can be measured reliably and it is probable that future economic benefits will flow to the company.

Operating expenses

Property and contract expenditure are expensed as incurred. Other expenses are recognised in the Statement of Income and Retained Earnings on an accrual's basis.

LANDS IMPROVEMENT HOLDINGS LIMITED

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

1. Accounting policies (continued)

Current and deferred taxation

Tax is recognised in profit for the financial period, except that a charge attributable to an item of income and expense recognised as other comprehensive income, or to an item recognised directly in equity, is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. The tax on profit on ordinary activities includes amounts paid or received for group relief in respect of tax losses claimed and surrendered in the current period.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Investment property

Investment properties are those properties that are held either to earn rental income or for capital appreciation, or both. Investment properties are measured initially at cost including transaction costs.

Investment properties are carried in the financial statements at fair values based on the latest professional valuation on an open market basis as of each reporting date. Properties are treated as acquired and sold when the company is subject to an unconditional purchase or sales contract. Profits/losses and valuation gains and diminutions in value are recognised within net valuation movements on investment properties in the Statement of Income and Retained Earnings.

In accordance with FRS 102, depreciation is not provided on investment properties. This is a departure from the Companies Act 2006 which requires all tangible assets to be depreciated. In the opinion of the directors, this departure is necessary for the financial statements to give a true and fair view and comply with applicable accounting standards which require investment properties to be included in the financial statements at fair value. The effect of depreciation is implicitly reflected in the valuation of investment properties, and the amount attributable to this factor cannot reasonably be separately identified or quantified by the valuers. Had the provisions of the Act been followed, assets would not have been affected but operating costs would have increased for this and earlier years and valuation movements would have correspondingly increased. There would be no impact on profit for the period.

LANDS IMPROVEMENT HOLDINGS LIMITED

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

1. Accounting policies (continued)

Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

The carrying amount of the company's investments are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised in the Statement of Income and Retained Earnings whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of an asset is the greater of its net selling price and its value in use.

Stocks

Stocks represent land held for sale and are included in the accounts at the lower of cost and net realisable value.

Purchases and sales of stocks are recognised when the significant risks and returns have been transferred to the company and buyer respectively.

At each balance sheet date, stocks are reviewed for impairment. If an impairment is required, the carrying amount is reduced to its selling price less costs to sell. The impairment loss is recognised immediately in profit or loss. If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Financial instruments

(i) Financial assets

Basic financial assets, including trade and other debtors, cash at bank and in hand and amounts owed by group undertakings, are recognised initially at transaction price, unless the transaction constitutes a financing arrangement, e.g., significantly deferred credit terms, where the transaction is measured at the present value of future receipts discounted at the market rate of interest. Such assets are held at amortised cost using the effective interest rate method.

Financial assets are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Income and Retained Earnings.

The impairment loss is measured as the difference between an asset's carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

If there is a decrease in the impairment loss arising from an event occurring after it was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed the amount at which the asset would have been stated had the impairment not previously been recognised. The impairment reversal is recognised in the Statement of Income and Retained Earnings.

Financial assets are derecognised when the contractual rights to the cash flows from the asset expire or are settled, or substantially all the risks and rewards of the ownership of the asset are transferred to another party, or control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

LANDS IMPROVEMENT HOLDINGS LIMITED

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

1. Accounting policies (continued)

Financial instruments (continued)

(ii) Financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans and amounts owed to group undertakings, are recognised initially at transaction price, unless the transaction constitutes a financing arrangement, e.g., significantly deferred credit terms where the transactions is measured at the present value of future payments discounted at the market rate of interest. Such liabilities are held at amortised cost using the effective interest rate method.

Debt instruments (other than those wholly repayable within one year), including loans and other accounts payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method.

Debt instruments that are payable within one year, typically trade creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid. However, if the arrangements of a short-term instrument constitute a financing transaction, such as the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate the financial liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

(iii) Offsetting

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Dividends

Dividends receivable are recognised in the Statement of Income and Retained Earnings in the period when the right to receive payment is established.

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders.

LANDS IMPROVEMENT HOLDINGS LIMITED

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

2. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions in certain circumstances that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from these estimates. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

Property valuations

Property is valued by a qualified chartered surveyor. Valuations are made as at the reporting date and conform to International Valuation Standards. Valuations are made using various assumptions and estimations which include, but are not limited to, market yields, transaction prices of similar properties, tenure and tenancy details.

Investment valuations

The company reviews the carrying value of its investment in subsidiaries at each balance sheet date with reference to the net asset value in each subsidiary's latest financial statements and also to forecast future cash flows where necessary. In certain cases, investment valuations are underpinned by the value of properties held by the subsidiary.

3. Operating income

	2021 £000	2020 £000
Promotion fee income	-	161
Rental income	4	-
	<u>4</u>	<u>161</u>

4. Operating expenses

	2021 £000	2020 £000
Other costs	44	53
Management fees	30	41
	<u>74</u>	<u>94</u>

LANDS IMPROVEMENT HOLDINGS LIMITED

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

5. Directors' emoluments

	2021 £000	2020 £000
Aggregate emoluments excluding long term incentive schemes and pensions	23	28
Aggregate amounts receivable under long term incentive schemes	56	90
Payments to defined contribution pension schemes	-	1
	<u>79</u>	<u>119</u>

Directors are remunerated by Telereal Services Limited and Empire LIH Limited, fellow group undertakings.

Two directors (2020: two) are members of a defined contribution scheme and no directors (2020: none) are accruing benefits under a defined benefit scheme.

The company did not have any employees other than directors during the year under review (2020: none).

6. Interest receivable and similar income

	2021 £000	2020 £000
Interest receivable from group companies	-	400
	<u>-</u>	<u>400</u>

7. Interest payable and similar expenses

	2021 £000	2020 £000
Interest payable to group companies	95	504
	<u>95</u>	<u>504</u>

LANDS IMPROVEMENT HOLDINGS LIMITED

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

8. Tax on profit

	2021 £000	2020 £000
Corporation tax		
Current tax on (losses)/profits for the year	(14)	(3)
Adjustments in respect of previous periods	(16)	(2)
Total current tax	<u>(30)</u>	<u>(5)</u>
Deferred tax		
Changes to tax rates	-	(28)
Adjustments in respect of previous periods	-	3
Total deferred tax	<u>-</u>	<u>(25)</u>
Taxation on profit on ordinary activities	<u>(30)</u>	<u>(30)</u>

Factors affecting tax credit for the year

The tax credit for the year can be reconciled to the (loss)/profit per the Statement of Income and Retained Earnings as follows:

	2021 £000	2020 £000
(Loss)/profit before tax	<u>(165)</u>	<u>1,841</u>
(Loss)/profit before tax multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	(32)	350
Effects of:		
Rate differences	-	(28)
Revaluation of investment property	1	-
Adjustments in respect of previous periods	1	1
Non-taxable income	-	(436)
Impairment of subsidiary	-	80
Disallowed expenses	-	3
Total tax credit for the year	<u>(30)</u>	<u>(30)</u>

Factors that may affect future tax charges

On 11 March 2021, the 2021 Budget announced an increase in the rate of UK corporation tax, effective from 1 April 2023, from 19% to 25%.

LANDS IMPROVEMENT HOLDINGS LIMITED

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

9. Investments

	Investments in subsidiary companies £000
Cost	
At 1 April 2020	3,299
At 31 March 2021	<u>3,299</u>
Accumulated impairment	
At 1 April 2020	422
At 31 March 2021	<u>422</u>
Net book value	
At 31 March 2021	<u><u>2,877</u></u>
At 31 March 2020	<u><u>2,877</u></u>

The company owns a number of subsidiary undertakings, all wholly owned and incorporated in England and Wales, as follows:

Name	Nature of business
Lands Improvement Company	Dormant
A.L.I.H. (Farms) Limited	Property Investment
Landmatch Limited	Property Investment
Landmatch (L.E.A.) Limited*	Dormant
A.L.I.H. (Properties) Limited	Property Investment
British Field Products Limited	Dormant
Feltwell Fen Farms Limited*	Dormant
Moorfield Management Limited	Property Management

All companies are registered at 15th Floor, 140 London Wall, London EC2Y 5DN.

* Indirectly owned

LANDS IMPROVEMENT HOLDINGS LIMITED

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

10. Investment property

	Freehold investment property £000
At 1 April 2020	1,450
Transfers between classes (note 11)	(1,450)
	<hr/>
At 31 March 2021	-
	<hr/> <hr/>

As at 31 March 2021 and 31 March 2020, the properties were revalued internally by a chartered surveyor who is a member of the Royal Institution of Chartered Surveyors (RICS). The valuations are prepared in accordance with the valuation principles of the Appraisal and Valuation Manual of the Royal Institution of Chartered Surveyors.

11. Stocks

	2021 £000	2020 £000
Land held for sale - additions	1,450	-
	<hr/>	<hr/>
	1,450	-
	<hr/> <hr/>	<hr/> <hr/>

During the year ended 31 March 2021 land at St Mary's Cray was reclassified from investment property to land held for sale.

12. Debtors: amounts falling due within one year

	2021 £000	2020 £000
Other debtors	264	207
VAT recoverable	31	3
Deferred taxation (note 14)	246	263
	<hr/>	<hr/>
	541	473
	<hr/> <hr/>	<hr/> <hr/>

There are no material differences between the carrying value and fair value of other debtors as at 31 March 2021 and 31 March 2020.

LANDS IMPROVEMENT HOLDINGS LIMITED

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

13. Creditors: amounts falling due within one year

	2021 £000	2020 £000
Trade creditors	-	10
Amounts owed to group undertakings	3,365	3,150
Accruals and deferred income	-	1
	<u>3,365</u>	<u>3,161</u>

Amounts owed to group undertakings accrue interest at the base lending rate of Barclays Bank PLC plus 3% (2020: base lending rate of Barclays Bank PLC plus 3%), are unsecured and due on demand.

There are no material differences between the carrying value and fair value of trade and other creditors as at 31 March 2021 and 31 March 2020.

14. Deferred taxation

	2021 £000
At beginning of year	263
Credited to profit or loss	(17)
At end of year	<u><u>246</u></u>

The deferred tax asset is made up as follows:

	2021 £000	2020 £000
Tax losses carried forward	246	263
	<u>246</u>	<u>263</u>

The company has recognised a deferred tax asset as it expects to have taxable profits in future accounting periods sufficient to utilise the losses.

15. Called up share capital

	2021 £000	2020 £000
Allotted, called up and fully paid		
542,800 (2020 - 542,800) Ordinary shares of £1	<u>543</u>	<u>543</u>

LANDS IMPROVEMENT HOLDINGS LIMITED

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

16. Related party transactions

Interest payable to London Wall Outsourcing Limited during the period was £nil (2020: £244,000).

There are no other related party transactions to disclose.

17. Guarantees and commitments

The company is a guarantor and obligor to a five year HSBC Bank Plc facility, maturing in March 2026, extended to LIH Financing Limited ("LIHFL"), a parent company. The company, together with other fellow group undertakings jointly and severally guarantee the obligations of each party to the borrowing. The loan is secured on land held by certain LIHFL subsidiaries.

18. Controlling party

Lands Improvement Holdings Limited is incorporated in England and Wales and is a wholly owned subsidiary of Empire LIH Limited also incorporated in England and Wales.

The ultimate parent undertaking and controlling party is Field Nominees Limited (incorporated in Bermuda), as nominee for the B Pears 1967 Family Trust. The largest parent undertaking to consolidate these financial statements is Tele-Finance Holdings Limited, which is incorporated in the British Virgin Islands.

The smallest group of companies to consolidate the results of the company is Lands Improvement Group Limited.

The annual report of Lands Improvement Group Limited may be obtained from the Company Secretary, 140 London Wall, London, EC2Y 5DN, which is also the registered office and principal place of business of Lands Improvement Holdings Limited.