Registered number: 12367993

LANDS IMPROVEMENT GROUP LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

LANDS IMPROVEMENT GROUP LIMITED

CONTENTS

LANDS IMPROVEMENT GROUP LIMITED

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2021

Introduction

The directors present their Strategic Report for Lands Improvement Group Limited (the "company") and its subsidiaries (together, the "group") for the year ended 31 March 2021. Comparative figures are for the period from 17 December 2019 to 31 March 2020. The directors, in preparing this report, have complied with s414C of the Companies Act 2006.

Principal activities and business review

The company was incorporated on 17 December 2019 and commenced activity on 20 December 2019 when it acquired BR Empire S.à r.l. and its subsidiaries ("BRES") for consideration of £120,000,000.

The principal activity of the company is that of a holding company. The group is principally engaged in investing in strategic land with the aim of obtaining viable planning consents and the provision of serviced residential and commercial development land. The group also seeks to and promote and/or develop some of its plots of land via joint venture arrangements.

At 31 March 2021, the group continued its strategy of pursuing planning consents across a number of its key sites, acquiring plots of land and selling down serviced land parcels.

The group reported turnover in the year of £17,732,000 (period ended 31 March 2020: £17,953,000) .

At 31 March 2021, the group reported an operating loss of £6,374,000 (period ended 31 March 2020: £20,065,000). The group's investment properties were valued at £4,321,000 (period ended 31 March 2020: £4,020,000) and stocks were valued at £172,794,000 (period ended 31 March 2020: 177,866,000).

Net finance charge for the year was £2,793,000 (period ended 31 March 2020: £2,533,000), including a fair value profit on interest rate swaps of £464,000 (period ended 31 March 2020: loss of £1,266,000).

Total comprehensive expense for the year was £8,359,000 (period ended 31 March 2020: £22,468,000) and at 31 March 2021, the group's total equity was £79,132,000 (period ended 31 March 2020: £97,532,000).

Going concern and COVID-19

The group has net assets of £79,132,000 as 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 directors consider that the risk of the pandemic having a significant impact on the group is low as the group holds land for medium term development and is not exposed to short term fluctuations in residential markets. Sales of land to developers have continued with no effect on price or timing and the directors do not anticipate a material change in the timing of future land sales or of values achieved. Management continues to monitor the situation closely.

The group refinanced its maturing loan facilities in March 2021 with new bank loans maturing in 2026. The loans are secured on land held by certain companies within the group. 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 loan facility is supported by guarantors and obligors, being fellow group undertakings, that jointly and severally guarantee the obligations of the group under the financing. In March 2021 the group also secured an extension to its £15,000,000 shareholder loan facility until March 2026.

Going concern and COVID-19 (continued)

At 31 March 2021, the group recognised net current assets of £146,001,000. Management has prepared forecast cash flows for the group for at least 12 months from the date of signing the financial statements and considered the recoverability and liquidity of its net current assets. The directors confirm that they are satisfied that the group has adequate resources to meet its liabilities for at least 12 months from the date of signing the financial statements, having received confirmation from the directors of London Wall Outsourcing Limited (a fellow group undertaking) that they do not intend to call for settlement of certain intercompany loans until such time as the group has sufficient resources. As a result, the directors continue to adopt the going concern basis in preparing the financial statements.

Dividends and post balance sheet events

The company declared dividends during the year totalling £10,041,000 (period ended 31 March 2020: £nil) with £3,000,000 declared on 2 September 2020 and a further £7,041,000 declared on 10 December 2020. Subsequent to the year end, the directors became aware that these distributions were not in accordance with the Companies Act 2006 as the company had insufficient distributable reserves at the time the dividends were declared and as such the company is required to take remedial action to put the company into a positive reserves position. In December 2021 the shareholders of the company approved the reduction of the company's share premium to £nil, thus increasing the company's retained earnings by £118,800,000 and as a result, the company now has positive distributable reserves.

The directors consider that this remedial action, which is based on legal advice from external advisors, discharge the directors of the company of any liability as a consequence of an unlawful distribution made pursuant to s847 of the Companies Act 2006. Because the share premium reduction was carried out before the date of signing these financial statement, the directors consider this remedial action to be an adjusting post balance sheet event and as such the action undertaken has been reflected within the financial statements.

Deferred Tax
In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. Since the proposal to increase the rate to 25% had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements. However, it is likely that the overall effect of the change, had it been substantively enacted by the balance sheet date, would be to increase the tax credit for the year by £204,000 and increase the deferred tax asset by £204,000.

Future developments

It is not envisaged that the group will initiate any plans to restructure its principal activities in the forthcoming year.

Principal risks and uncertainties

The directors are conscious of the prevailing conditions in the UK economy, and the risks and uncertainties faced by property companies in general. In summary, the directors consider the group to be well organised and consider the impact of these risks to be low. This may provide competitive advantage to the group during the current financial year, as considered in more detail below.

Property risk
As an investor in property the group is exposed to potential reductions in the value of its properties. However, the directors consider the risk of adverse changes in land values to be low, owing to the national shortage of land available for housing development.

Taxation risk
The group is exposed to tax risks resulting from changes in tax legislation and the interpretation of tax legislation, which may expose the group to a reduction in post-tax income. The tax affairs of the company and group are in good order and the directors and senior management of the group are committed to maintaining an open and transparent dialogue with HM Revenue & Customs.

Financial risk management objectives and policies

Credit risk

The group's principal financial assets are bank balances, trade and other assets and loans to other undertakings.

Trade and other debtors

Debtors are presented in the Balance Sheet net of allowances for doubtful debts. The group seeks to only trade with creditworthy third parties and monitors the levels of debt on a regular basis. The credit risk of debtors is considered to be low due to the financial strength of our clients.

Bank balances

The group's bank balances are deposited at banks with long-term credit ratings which are monitored by the group treasurer.

Amounts due from group undertakings

The credit risk of amounts due from group undertakings is considered low, owing to the secure long-term cash flows that are receivable by the counterparties or wholly-owned subsidiaries of the counterparties.

Inflation risk

The majority of the group's income and costs are subject to inflation. The long term nature of the group's activities means that the risk of exposure to short term changes in inflation is minimal. When assessing new acquisitions, cashflow forecasts are flexed for different inflation assumptions to ensure projects remain viable *regardless of out-turn inflation. Actual and forecast cashflows for projects are monitored on an ongoing basis to* identify if any further action is required.

Liquidity risk

Liquidity risk is the risk that the group will not be able to meet its financial obligations as they fall due. The group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient financial resources and liquidity to meet its liabilities when due without incurring unacceptable losses or risking damage to the group's reputation. In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the group uses a mixture of long term and short term debt finance. Long term and short term liquidity needs are reviewed on a periodic basis by management and the board.

Interest rate risk

The group operates an interest rate policy designed to optimise interest rate cost and reduce volatility in reported earnings. Where the group holds floating rate debt the primary risk is that the group's cash flows will be subject to variation depending upon changes to base interest rates. The group's policy is to require interest rates to be fixed for 100% of long term debt. This is achieved through the use of interest rate swaps.

Key performance indicators

The key performance indicators of the group are set out below:

- To ensure high levels of customer satisfaction.

- To create sustainable returns for shareholders through:
    - Delivering efficiencies and using our scale more effectively,
    - Improving working capital management and cash generation.

- To promote responsibility to achieve the highest practicable standards of health and safety and minimise the impact of our activities on the environment.

- To attract, develop, retain and motivate high performance teams and individuals.

It is management's aim to achieve sustainable returns to shareholders by providing a return on their investment through profitable and cash generative activities while continuing to maintain a healthy working capital position. Management will review this position on a periodic basis. The group maintains the highest practicable standards of health and safety supported by external benchmarking and accreditation, including Occupational Health and Safety Assessment Series (OHSAS) 18001 certification.

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

Aaron Burns
Company Secretary

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2021

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

Dividends

The group paid dividends of £10,041,000 during the year (period ended 31 March 2020: £nil). Further details of these dividends can be found on page 2 of the Group Strategic Report.

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

Charitable donations

The group operates a charity matching scheme, which matches employee donations subject to a limit of £2,500 per employee per year.

Creditor payment policy

The group pays its creditors in accordance with its contractual obligations. The average time the group took to pay trade debts based on trade accounts payable during the year was 19 days.

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, which is also the date of the approval of the financial statements.

Matters covered in the strategic report

Details of principal activities, business review, future developments, financial risk management and going concern can be found on pages 1, 2 and 3 in the Group Strategic Report. They form part of this report by cross-reference.

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

Statement of directors' responsibilities

The directors are responsible for preparing the Annual 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 group and company 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", 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 group and company and of the profit or loss of the group and 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, 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 group and company will continue in business.

The directors are also responsible for safeguarding the assets of the group and 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 group and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Directors' confirmations

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company and the Group's auditors are aware of that information.

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

Aaron Burns
Secretary

Independent auditors' report to the members of Lands Improvement Group Limited

Report on the audit of the financial statements

Opinion

In our opinion, Lands Improvement Group Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 31 March 2021 and of the group's loss and the group's cash flows for the year then ended;
- have been properly prepared 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", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: Consolidated Balance Sheet and Company Balance Sheet as at 31 March 2021; Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity and Company Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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 group's and 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.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 March 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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 group's and 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 group or the company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 auditors' 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.

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Discussions with management and those charged with governance, including consideration of any known or suspected instances of non-compliance with laws and regulations and fraud
- Reviewing minutes of meetings of those charged with governance.
- Performing procedures over any unusual journal entries.
- Designing audit procedures to incorporate unpredictability into our testing.
- *Challenging assumptions made by management in determining their judgements and accounting estimates including* assumptions used in determining the recoverable amount for the purpose of impairment testing of investment in subsidiaries.
- Review of financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Engaging valuations experts to review the investments property valuation and stock

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- 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
- certain disclosures of directors' remuneration specified by law are not made; or
- the company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Suzanne Woolfson (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
3 February 2022

LANDS IMPROVEMENT GROUP LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2021

	Note	Year ended 31 March 2021 £000	Period ended 31 March 2020 £000
Turnover	3	17,732	17,953
Operating costs		(24,386)	(18,353)
Net movement in valuation of properties	5	280	-
Exceptional operating cost	6	-	(19,665)
Operating loss	4	(6,374)	(20,065)
Interest receivable and similar income	10	678	373
Interest payable and similar expenses	11	(3,471)	(2,906)
Loss before taxation		(9,167)	(22,598)
Tax on loss	12	808	130
Loss and total comprehensive expense for the financial year/period		(8,359)	(22,468)

The notes on pages 17 to 38 form part of these financial statements.

LANDS IMPROVEMENT GROUP LIMITED
REGISTERED NUMBER: 12367993

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2021

	Note		2021 £000		2020 £000
Fixed assets					
Investment property	14		4,321		4,020
			4,321		4,020
Current assets					
Stocks	15	172,794		177,866	
Debtors: amounts falling due after more than one year	16	553		550	
Debtors: amounts falling due within one year	16	104,891		116,016	
Cash at bank and in hand	17	1,669		5,818	
		279,907		300,250	
Creditors: amounts falling due within one year	18	(133,906)		(128,940)	
Net current assets			146,001		171,310
Total assets less current liabilities			150,322		175,330
Creditors: amounts falling due after more than one year	19		(71,190)		(77,798)
Net assets			79,132		97,532
Capital and reserves					
Called up share capital	22		1,200		1,200
Share premium account	23		-		118,800
Retained earnings/(accumulated losses)			77,932		(22,468)
Total equity			79,132		97,532

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 17 to 38 form part of these financial statements.

LANDS IMPROVEMENT GROUP LIMITED
REGISTERED NUMBER: 12367993

COMPANY BALANCE SHEET
AS AT 31 MARCH 2021

	Note		2021 £000		2020 £000
Fixed assets					
Investments	13		11,492		22,533
			11,492		22,533
Current assets					
Debtors: amounts falling due within one year	16	75,103		75,000	
		75,103		75,000	
Creditors: amounts falling due within one year	18	(13)		-	
Net current assets			75,090		75,000
Total assets less current liabilities			86,582		97,533
Net assets			86,582		97,533
Capital and reserves					
Called up share capital	22		1,200		1,200
Share premium account	23		-		118,800
Retained earnings/(accumulated losses)			85,382		(22,467)
Total equity			86,582		97,533

The company recorded a loss of £910,000 (period ended 31 March 2020: loss of £22,467,000) for the year ended 31 March 2021.

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 17 to 38 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021

	Called up share capital	Share premium account	Retained earnings/ (accumulated losses)	Total equity
	£000	£000	£000	£000
At 17 December 2019	-	-	-	-
Comprehensive expenses for the period				
Loss for the period	-	-	(22,468)	(22,468)
Total comprehensive expense for the period	-	-	(22,468)	(22,468)
Shares issued during the period	1,200	118,800	-	120,000
At 31 March and 1 April 2020	1,200	118,800	(22,468)	97,532
Comprehensive expense for the year				
Loss for the year	-	-	(8,359)	(8,359)
Total comprehensive expense for the year	-	-	(8,359)	(8,359)
Dividends (note 23)	-	-	(10,041)	(10,041)
Capital reduction (note 23)	-	(118,800)	118,800	-
At 31 March 2021	1,200	-	77,932	79,132

The notes on pages 17 to 38 form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021

	Called up share capital	Share premium account	Retained earnings/ (accumulated losses)	Total equity
	£000	£000	£000	£000
At 17 December 2019	-	-	-	-
Comprehensive expenses for the period				
Loss for the period	-	-	(22,467)	(22,467)
Total comprehensive expense for the period	-	-	(22,467)	(22,467)
Shares issued during the period	1,200	118,800	-	120,000
At 31 March and 1 April 2020	1,200	118,800	(22,467)	97,533
Comprehensive expensee for the year				
Loss for the year	-	-	(910)	(910)
Total comprehensive expense for the year	-	-	(910)	(910)
Contributions by and distributions to owners				
Dividends (note 23)	-	-	(10,041)	(10,041)
Capital reduction (note 23)	-	(118,800)	118,800	-
At 31 March 2021	1,200	-	85,382	86,582

The notes on pages 17 to 38 form part of these financial statements.

LANDS IMPROVEMENT GROUP LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021

	2021 £000	2020 £000
Cash flows from operating activities		
Loss for the financial year/period	(8,359)	(22,468)
Adjustments for:		
Intangible assets written off	-	19,665
Interest payable and similar expenses	3,471	2,906
Interest receivable and similar income	(678)	(373)
Taxation charge	(808)	(130)
Decrease/(increase) in stocks	5,072	(1,392)
Decrease/(increase) in debtors	12,863	(12,969)
Increase in creditors	23,758	665
(Decrease)/increase in amounts owed to group undertakings	(13,327)	13,227
Corporation tax paid	(1,704)	(2,137)
Revaluation of properties	(280)	-
Net cash generated from/(used in) operating activities	20,008	(3,006)
Cash flows from investing activities		
Purchase of investment properties	(21)	-
Interest received	214	373
Net cash generated from investing activities	193	373
Cash flows from financing activities		
Repayment of loans	(10,267)	-
Dividends paid	(10,041)	-
Interest paid	(4,042)	(1,514)
Net cash used in financing activities	(24,350)	(1,514)
Net decrease in cash and cash equivalents	(4,149)	(4,147)
Cash and cash equivalents at beginning of year/period	5,818	-
Cash acquired on business combinations	-	9,965
Cash and cash equivalents at the end of year/period	1,669	5,818
Cash and cash equivalents at the end of year/period comprise:		
Cash at bank and in hand	1,669	5,818

The notes on pages 17 to 38 form part of these financial statements.

1. Accounting policies

General information

The principal activities of Lands Improvement Group Limited ("the company") and its subsidiaries (together "the group") are described in the Group Strategic Report on page 1 of the financial statements. The company is a private company, limited by shares, incorporated, registered and domiciled in England and Wales. The company's registered office and principal place of business is 15th Floor, 140 London Wall, London EC2Y 5DN.

Basis of preparation of financial statements

The group and individual financial statements of Lands Improvement Group Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

These consolidated and separate financial statements are prepared on a going concern basis under the historical cost convention, as modified by the revaluation of certain assets and liabilities measured at fair value through profit and loss and have been prepared in Sterling (rounded to the nearest thousand pounds), which is the presentational and functional 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 group and company accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income.

Going concern and COVID-19

The group has net assets of £79,132,000 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 directors consider that the risk of the pandemic having a significant impact on the group is low as the group holds land for medium term development and is not exposed to short term fluctuations in residential markets. Sales of land to developers have continued with no effect on price or timing and the directors do not anticipate a material change in the timing of future land sales or of values achieved. Management continues to monitor the situation closely.

The group refinanced its maturing loan facilities in March 2021 with new bank loans maturing in 2026. The loans are secured on land held by certain companies within the group. 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 loan facility is supported by guarantors and obligors, being fellow group undertakings, that jointly and severally guarantee the obligations of the group under the financing. In March 2021 the group also secured an extension to its £15,000,000 shareholder loan facility until March 2026.

1. Accounting policies (continued)

Going concern and COVID-19 (continued)

At 31 March 2020, the group recognised net current assets of £146,001,000. Management has prepared forecast cash flows for the group for at least 12 months from the date of signing the financial statements and considered the recoverability and liquidity of its net current assets. The directors confirm that they are satisfied that the group has adequate resources to meet its liabilities for at least 12 months from the date of signing the financial statements, having received confirmation from the directors of London Wall Outsourcing Limited (a fellow group undertaking) that they do not intend to call for settlement of certain intercompany loans until such time as the group has sufficient resources. As a result, the directors continue to adopt the going concern basis in preparing the financial statements.

Financial reporting standard - reduced 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 on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in these financial statements, includes the company's cash flows;

(ii) certain financial instrument disclosures, required under FRS 102 paragraphs 11.39 to 11.48A and paragraphs 12.26 to 12.29, as the information is provided in the consolidated financial statement disclosures;

(iii) from disclosing the company key management personnel compensation, as required by FRS 102 paragraph 33.7; and

(iv) related party disclosures in accordance with paragraph 33.1A of FRS 102, to the extent that the company transacts with wholly owned subsidiaries of the wider group.

Basis of consolidation

The financial statements consolidate the financial statements of Lands Improvement Group Limited and all of its subsidiary undertakings ("subsidiaries"). Subsidiary undertakings are those entities controlled, either directly or indirectly, by the company.

The financial statements of subsidiaries acquired or sold are included in the consolidated financial statements from or up to the date when control commences or ceases. The results of subsidiaries acquired during the period are included from the effective date of acquisition.

Intra-group balances and any unrealised gains and losses arising from intra-group transactions are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with subsidiaries are eliminated to the extent of the group's interest in the entity.

Unrealised losses are eliminated in the same way as unrealised gains to the extent there is no evidence of impairment.

Minority interests in the net assets of the consolidated subsidiaries are identified separately from the group's equity. Minority interests consist of the share of equity at the date of incorporation or acquisition, if later, and the minority interests' share of post incorporation/acquisition results.

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

1. Accounting policies (continued)

Turnover

The group recognises turnover when the significant risks and rewards of ownership have been transferred to the buyer, the group retains no continuing involvement or control over the goods, the amount of turnover can be measured reliably, it is probable that future economic benefit will flow to the group and when the specific criteria relating to each of the group's revenue streams have been met, as described below:

Third party rents
Rental income is recognised in the Statement of Comprehensive Income on an accruals basis. Increases in rent are accounted for from the date when they become effective. Lease incentives are recognised on a straight line basis over the lease term.

Management fees
Management fees are recognised in the Statement of Comprehensive Income on an accruals basis.

Disposals of stock
Proceeds from the sale of properties held for sale are recognised in the Statement of Comprehensive Income when the significant risks and returns have been transferred to the buyer. This is generally on unconditional exchange of contracts.

Income receivable under jointly controlled operations
Income receivable under jointly controlled operations relates to the disposal of land where legal title resides with the other parties to the Linmere joint operations contract. Income is recognised in the Statement of Comprehensive Income when the significant risks and returns have been transferred to the buyer.

Turnover is measured at the fair value of the consideration received, net of sales taxes.

Operating costs

Operating costs are recognised in the Statement of Comprehensive Income on an accruals basis. The cost of properties held for sale disposed in the year are recognised in the Statement of Comprehensive Income when the significant risks and returns have been transferred to the buyer. This is generally on unconditional exchange of contracts.

Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Comprehensive Income on a straight-line basis over the period of the leases.

Exceptional items

Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the company. They are material items of income or expense that have been shown separately due to the significance of their nature or amount.

Finance costs

Finance costs are charged to the Statement of Comprehensive Income 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. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument. Costs arising from the amendment to an existing facility are expensed as incurred.

1. Accounting policies (continued)

Taxation

Tax is recognised in profit for the financial year, 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 on the basis of 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 group 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 Comprehensive Income.

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 been reduced for this and earlier years and valuation movements would have correspondingly increased. There would be no impact on profit for the year.

1. **Accounting policies (continued)**

Investments in subsidiaries

Investments in subsidiaries comprises an equity investment in a subsidiary entities. These are carried at cost less any provision for impairment in value.

The carrying amount of the company's investments is 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 and an impairment loss is recognised in the Statement of Comprehensive Income 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. If there is a decrease in the impairment loss arising from an event occurring after it was recognised, the impairment is reversed.

Stocks

Stocks represent land held for sale and are included in the financial statements 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 group 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 the Statement of Comprehensive Income. 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 Comprehensive Income.

Joint operations

The group has entered into a Collaboration and Equalisation agreement with Aviva Life & Pensions Limited ("Aviva") and St Albans Diocesan Property Company Limited ("SADPC") to develop a mixed use site at Houghton Regis, known as Linmere. The contracts provide for joint control of the development and the costs and income arising from them. As such, the contracts are treated as joint operations and the group recognises separately its share of assets, liabilities, income and costs within the financial statements. The agreement between the parties contains reciprocal equalisation arrangements to share the proceeds realised from the Linmere site and with a view to participating in returns from the parts of the site which belong to the other land owners and share returns from the parts of the site owned by the group. Profit from the Linmere joint operation is recognised on a phase-by-phase basis by reference to the forecast profit margins related to each phase of the development. The profit margins for each phase of the development are based on forecasts of the total costs and revenue relevant to each phase and also include an allocation of site-wide development costs, such as infrastructure. These forecasts and allocations are reviewed at each reporting period and any changes in the resulting profit margin are adjusted prospectively. The group recognises costs incurred on the land that it legally owns in Linmere within stock and recognises the joint operation partners' share of those costs within other creditors. For costs incurred on the land that is legally owned by the joint operation partners, the group recognises its share of those costs within other debtors.

1. Accounting policies (continued)

Joint operations (continued)

The group has also entered into contracts with Taylor Wimpey to develop land at High Leigh in Hertfordshire. The contributions made by Taylor Wimpey to the joint operation are included in deferred income and will be recognised in the statement of income and retained earnings as and when units are completed and sold externally. The contracts provide for joint control of the development. All development costs and income arising from the development are also shared equally between the two parties. As such, the contracts are treated as joint operations and the company recognises separately its share of the operation's assets, liabilities, income and costs within the financial statements.

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the group's cash management.

Financial instruments

The group has adopted the provisions of sections 11 and 12 of FRS 102.

(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 such evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

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 Comprehensive Income.

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.

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 transaction is measured at the present value of future receipts 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 measured initially at the 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 or the financial liability is measured, initially, at the present value of the future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Derivatives, including interest rate swaps, are not basic financial instruments.

Derivatives are recognised initially at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in the Statement of Comprehensive Income in finance costs or income as appropriate. The group does not currently apply hedge accounting for interest rate derivatives.

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.

Defined contribution pension plan

The group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payments obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the company in independently administered funds.

Dividends

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

Dividends made to the company's shareholders are recognised as a liability in the period in which the distributions are approved by the company's shareholders or, in the case of interim distributions, when they are paid.

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.

Valuations of investment property and stock properties
Properties are 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. The stock properties are valued to assess whether any impairments are required to stock carrying values.

Joint operation margin
Estimates are made in the calculation of the profit margins used to determine the operating costs recognised on the sale of land under the Linmere joint operation. The profit margins for each phase of the development are based on forecasts of the total costs and revenues relevant to each phase and estimates are required to determine those forecasts. The profit margins also allow for an allocation of site-wide development costs, such as infrastructure, across the different phases of the development and that allocation requires judgements to be made in relation to the extent to which each phase benefits from each of the site wide costs. The group has a robust methodology for determining both the cost and revenue forecast and for the allocation of the site-wide costs and both the forecasts and allocations are revisited at each reporting period to update for new information. Such updates can lead to changes in the phase-by-phase profit margins used which are adjusted for prospectively.

Trade and other debtors
The group reviews trade and other debtors and makes judgements on the recoverability of these debtors with reference to the age of outstanding amounts, credit status of the counterparty and the status of any outstanding dispute. No debtors were impaired at the year end (2020: none).

Derivative financial instruments
Derivatives are valued at each reporting date. Fair value is based on price quotations from financial institutions active in the market.

3. Turnover

An analysis of turnover by class of business is as follows:

	Year ended 31 March 2021 £000	Period ended 31 March 2020 £000
Income receivable under jointly controlled operations	6,050	12,769
Income on disposal of stock	10,614	4,933
Management fee income	974	231
Third party rents	94	20
	17,732	17,953

All turnover arose within the United Kingdom.

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

4. Operating loss

Operating loss is stated after charging:

	Year ended 31 March 2021 £000	Period ended 31 March 2020 £000
Operating lease rentals	100	25
Cost of properties disposed	10,767	4,933
Cost recognised on income receivable from jointly controlled operations	5,587	12,207
Impairment of stock	2,975	-

5. Net movement in valuation of properties

	Year ended 31 March 2021 £000	Period ended 31 March 2020 £000
Revaluation of investment properties (note 14)	280	-

6. Exceptional operating cost

	Year ended 31 March 2021 £000	Period ended 31 March 2020 £000
Intangible asset written off	-	19,665

In the period to 31 March 2020 the company acquired BR Empire S.à r.l. and its subsidiaries ("BRES") for consideration of £120,000,000. The book value of the assets and liabilities have been taken from the management accounts of BR Empire S.à r.l. and its subsidiaries at 20 December 2019 (the date of acquisition). Goodwill on acquisition totalled £19,665,000, however because it was not the intention of the directors to pay more for BRES than its fair value, the goodwill was been written-off to the Consolidated Statement of Comprehensive Income.

7. Auditors' remuneration

	Year ended 31 March 2021 £000	Period ended 31 March 2020 £000
Fees payable to the Group's auditor and their associates for the audit of the Group's annual financial statements	47	32
Subsidiaries	60	139
	107	171

The audit fee for Lands Improvement Group Limited and its subsidiaries was paid and borne by Telereal Services Limited, a fellow group undertaking.

8. Staff costs

Staff costs were as follows:

	Year ended 31 March 2021 £000	Period ended 31 March 2020 £000
Wages and salaries	2,429	581
Social security costs	369	80
Other pension costs	194	48
	2,992	709

The average monthly number of employees, including directors, during the year was 20 (period ended 31 *March 2020: 20*).

All employees were employed in the United Kingdom.

9. Directors' remuneration

	Year ended 31 March 2021 £000	Period ended 31 March 2020 £000
Aggregate emoluments excluding long term incentive scheme and pensions	310	109
Aggregate amounts receivable under long term incentive schemes	1,453	494
Payments of defined contribution pension schemes	4	4
	1,767	607

Two (period ended 31 March 2020: two) directors are members of a defined contribution scheme and no directors are accruing retirement benefits under a defined benefit scheme.

The highest paid director received remuneration of £545,000 (period ended 31 March 2020: £205,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £nil (period ended 31 March 2020: £nil).

10. Interest receivable and similar income

	Year ended 31 March 2021 £000	Period ended 31 March 2020 £000
Interest receivable from group companies	166	330
Change in fair value of interest rate swaps	464	-
Other interest receivable	48	43
	678	373

11. Interest payable and similar expenses

	Year ended 31 March 2021 £000	Period ended 31 March 2020 £000
Bank interest payable	1,876	633
Loans from group undertakings	253	671
Change in fair value of interest rate swaps	-	1,266
Other interest payable and finance charges	1,342	336
	3,471	2,906

12. *Taxation*

	Year ended 31 March 2021 £000	Period ended 31 March 2020 £000
Corporation tax		
Current tax on losses for the year/period	(878)	(130)
Adjustments in respect of previous periods	73	-
Total current tax credit	(805)	(130)
Deferred tax		
Origination and reversal of timing differences	(20)	-
Adjustments in respect of previous periods	17	-
Total deferred tax	(3)	-
Tax credit on loss	(808)	(130)

12. Taxation (continued)

Factors affecting tax credit for the year/period

The tax credit for the year/period can be reconciled to the loss per the Statement of Comprehensive Income as follows:

	Year ended 31 March 2021 £000	Period ended 31 March 2020 £000
Loss before tax	(9,167)	(22,598)
Loss before tax multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	(1,742)	(4,293)
Effects of:		
Intangible assets written-off	-	3,736
Non taxable income	(91)	(17)
Expenses not deductible for tax	1,011	444
Adjustments to tax charge in respect of prior periods	90	-
Revaluations of investment property	(53)	-
Other	(23)	-
Total tax credit for the year/period	(808)	(130)

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%.

13. Investments

Company

	Investments in subsidiary companies £000
Cost or valuation	
At 1 April 2020	120,000
At 31 March 2021	120,000
Impairment	
At 1 April 2020	97,467
Charge for the year	11,041
At 31 March 2021	108,508
Net book value	
At 31 March 2021	11,492
At 31 March 2020	22,533

On 20 December 2019 the company acquired BR Empire S.à r.l. and its subsidiaries ("BRES") for consideration of £120,000,000.

An impairment has been made at 31 March 2021 of £11,041,000 when assessing the financial position of the subsidiaries controlled by the company.

A full list of the company's subsidiaries is included in note 27.

14. Investment property

Group

	Freehold investment property £000
Valuation	
At 1 April 2020	4,020
Additions	21
Surplus on revaluation	280
At 31 March 2021	4,321

As at 31 March 2021, 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.

15. Stocks

	2021 £000	2020 £000
Group		
At 1 April 2020/At 17 December 2019	177.866	-
On acquisition of subsidiaries	-	176,474
Additions	8,670	6,325
Disposals	(10,767)	(4,933)
Impairment	(2,975)	-
At 31 March 2021 and 31 March 2020	172,794	177,866

Land held for sale is carried at the lower of cost and net realisable value.

16. Debtors

	Group 2021 £000	Group 2020 £000	Company 2021 £000	Company 2020 £000
Amounts falling due after more than one year				
Deferred tax asset (note 21)	553	550	-	-

	Group 2021 £000	Group 2020 £000	Company 2021 £000	Company 2020 £000
Amounts falling due within one year				
Trade debtors	489	10,955	-	-
Amounts owed by group undertakings	83,081	83,852	75,101	75,000
Corporation tax recoverable	2,970	461	2	-
Other debtors	18,304	20,654	-	-
Prepayments and accrued income	47	94	-	-
	104,891	116,016	75,103	75,000

Group

Amounts owed by group undertakings are unsecured and receivable on demand. Interest was paid on these balances at between 0% and 4.6% per annum.

Other debtors are amounts recoverable in respect of joint operations with Aviva and SADPC.

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

Company

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

17. Cash at bank and in hand

	Group 2021 £000	Group 2020 £000	Company 2021 £000
Cash at bank and in hand	1,669	5,818	-

Included in cash at bank is a balance of £131,000 (period ended 31 March 2020: £1,622,000) held in a restricted account.

18. Creditors: amounts falling due within one year

	Group 2021 £000	Group 2020 £000	Company 2021 £000	Company 2020 £000
Bank loans (note 19)	-	4,872	-	-
Trade creditors	2,597	3,071	-	-
Amounts owed to group undertakings	78,830	92,927	13	-
Other creditors	24,172	14,659	-	-
Other taxation and social security	4,444	2,023	-	-
Accruals and deferred income	23,863	11,388	-	-
	133,906	128,940	13	-

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.

Amounts owed to group undertakings are unsecured and payable on demand. Interest was paid on these balances at between 0% and 4.6% per annum.

Other creditors are amounts payable in respect of joint operations with Aviva and SADPC.

19. Creditors: amounts falling due after more than one year

	Group 2021 £000	Group 2020 £000	Company 2021 £000	Company 2020 £000
Bank loans	54,261	60,405	-	-
Shareholder loans	15,000	15,000	-	-
Fair value of interest rate swaps	1,929	2,393	-	-
	71,190	77,798	-	-

The company holds a £55,010,000 (2020: £85,000,000) five year facility with HSBC Bank Plc. In March 2021, the company refinanced its £55,010,000 bank loan with a new facility for the same principal amount. Bank loans and shareholder loans mature in 2026 with a single principal repayment. The bank loan attracts interest of 3.25% plus LIBOR (2020: 2.25% plus LIBOR) per annum paid quarterly.

The bank loan is supported by guarantors and obligors, being fellow group undertakings, that jointly and severally guarantee the obligations of the group under the financing. Additionally, the loan is secured against the land held by the group.

Shareholder loans are listed on the International Stock Exchange and attract interest at 12.5% (2020: 9%) per annum paid quarterly

The bank loan is shown net of unamortised fees of £749,000 and is supported by guarantors and obligors, being fellow group undertakings, that jointly and severally guarantee the obligations of the company under the financing. Additionally, the loan is secured against the land held by certain fellow group undertakings.

20. Financial instruments

	2021 £000	2020 £000
Financial assets that are debt instruments measured at amortised cost:		
Trade debtors	489	10,955
Amounts owed by group companies	83,081	83,852
Other debtors	18,304	17,560
Accrued income	-	26
Cash at bank and in hand	1,669	5,818
	103,543	118,211

Financial liabilities
Financial liabilities measured at fair value through profit or loss:

	2021 £000	2020 £000
Fair value of interest rate swaps	1,929	2,393

Financial liabilities measured at amortised cost:

	2021 £000	2020 £000
Bank loans	54,261	65,277
Trade creditors	2,597	3,071
Shareholder loans	15,000	15,000
Amounts owed to group companies	78,830	92,927
Other creditors	24,172	11,565
Accruals	5,465	11,270
Financial liabilities at amortised cost	180,325	199,110

Financial instruments - Interest rate swaps

The group has swaps in place to hedge the interest rate risk on bank loans. This has the effect of partially fixing the LIBOR rate according to a stepped profile over time at an effective rate of 3.25% plus LIBOR per annum paid quarterly. All swaps are out of the money and show a combined fair value of £1,929,000 (2020: £2,393,000). The aggregate notional principal of the outstanding swap contracts at 31 March 2021 was £55,010,000 (2020: £70,000,000).

21. Deferred taxation

Group

	2021 £000
At 1 April 2020	550
Charged to profit or loss	3
At 31 March 2021	553

The deferred tax asset is made up as follows:

	Group 2021 £000	Group 2020 £000
Tax losses carried forward	245	263
Other timing differences	308	287
	553	550

22. Called up share capital

	2021 £	2020 £
Allotted, called up and fully paid		
120,000,000 (2020: 120,000,000) Ordinary shares of £0.01 each	1,200,000	1,200,000

23. Dividends and post balance sheet events

	2021 £000	2020 £000
Dividends paid	10,041	-

The company declared dividends during the year totalling £10,041,000 (period ended 31 March 2020: £nil) with £3,000,000 declared on 2 September 2020 and a further £7,041,000 declared on 10 December 2020. Subsequent to the year end, the directors became aware that these distributions were not in accordance with the Companies Act 2006 as the company had insufficient distributable reserves at the time the dividends were declared and as such the company is required to take remedial action to put the company into a positive reserves position. In December 2021 the shareholders of the company approved the reduction of the company's share premium to £nil, thus increasing the company's retained earnings by £118,800,000 and as a result, the company now has positive distributable reserves.

The directors consider that this remedial action, which is based on legal advice from external advisors, discharge the directors of the company of any liability as a consequence of an unlawful distribution made pursuant to s847 of the Companies Act 2006. Because the share premium reduction was carried out before the date of signing these financial statement, the directors consider this remedial action to be an adjusting post balance sheet event and as such the action undertaken has been reflected within the financial statements.

Deferred Tax
In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. Since the proposal to increase the rate to 25% had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements. However, it is likely that the overall effect of the change, had it been substantively enacted by the balance sheet date, would be to increase the tax credit for the year by £204,000 and increase the deferred tax asset by £204,000.

24. Commitments under operating leases

At 31 March 2021, the Group and the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2021 £000	Group 2020 £000
Not later than 1 year	75	100
Later than 1 year and not later than 5 years	-	75
	75	175

The company had no commitments under non-cancellable operating leases at the balance sheet date.

25. Related party transactions

The company has taken advantage of the exemption provided by paragraph 33.1A of FRS 102 not to disclose transactions with wholly-owned entities that are part of the group owned by Tele-Finance Holdings Limited.

Excluding the amounts above, during the year/period, the group had the following related party transactions:

	2021 £000	2020 £000
Interest payable to related parties	82	23
Amounts owed by related parties at year end	(919)	(919)

Other than those disclosed elsewhere in the financial statements, the amounts included above, in respect of current and past fellow group undertakings, relate to:

Tetrad Investments Limited

26. Controlling party

Lands Improvement Group Limited is 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 TTRE Holdings Limited, which is incorporated in England and Wales. The annual report and financial statements of TTRE Holdings Limited may be obtained from the Company Secretary, 15th Floor, 140 London Wall, London EC2Y 5DN, which is also the registered office and principal place of business of Lands Improvements Group Limited.

27. Subsidiaries

The company holds indirect investments of 100% of the nominal value of any class of share of subsidiary undertakings. All subsidiary undertakings operate in Great Britain and are registered in England and Wales or Luxembourg. The wholly owned group undertakings at 31 March 2021 are as follows:

Empire LIH Limited - (Overhead and services company)
Lands Improvement Holdings Limited - (Holding company)
Hubert C Leach (High Leigh) Ltd - (Property investment)
Moorfield Management Limited - (Property management)
British Field Products Limited - (Property investment)
A.L.I.H. (Properties) Limited - (Property investment)
Landmatch Limited - (Property investment)
A.L.I.H. (Farms) Limited - (Property investment))
Landmatch (L.E.A.) Limited - (Dormant company)
LIH Financing Limited - (Financing company)
LIH Shrewsbury Limited - (Property investment)
LIH Property 1 (UK) Limited - (Property investment)
LIH Property 2 (UK) Limited - (Property investment)
LIH (High Leigh) Limited - (Property investment)
BR Empire S.à r.l. - (Holding company)*
Lands Improvement Holdings Shrewsbury S.à r.l. - (Property investment)*
Lands Improvement Holdings South Cambridge S.à r.l. - (Property investment)*
Lands Improvement Holdings Empire S.à r.l. - (Property investment and holding company)*
Lands Improvement Holdings Landmatch S.à r.l. - (Property investment)*
Lands Improvement Holdings Poole S.à r.l. - (Property investment)*
Lands Improvement Holdings Houghton Regis S.à r.l. - (Property investment)*

In addition, through the subsidiaries listed above, the company holds a 94% share in Lands Improvement Company, a dormant company. The company operates in Great Britain and is registered in England and Wales.

* Entities are registered at 5, avenue Gaston Diderich, L-1420 Luxembourg.

All other entities are registered at 15th Floor, 140 London Wall, London, EC2Y 5DN, United Kingdom.

Certain of the subsidiaries listed above did not have their financial statements for the year ended 31 March 2021 or year ended 31 July 2021 audited as they have taken an exemption under section 479A of the Companies Act 2006. Those subsidiaries are:

A.L.I.H. (Farms) Limited
Moorfield Management Limited
Empire LIH Limited
Lands Improvement Holdings Limited
British Field Products Limited
A.L.I.H. (Properties) Limited
Landmatch (L.E.A.) Limited