Company Registration No. 03818327

ANNINGTON DEVELOPMENTS (HOLDINGS) LIMITED

Annual Report and Financial Statements

For the year ended 31 March 2021

ANNINGTON DEVELOPMENTS (HOLDINGS) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 March 2021. The directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption under the Companies Act 2006. A Strategic Report has not been prepared in accordance with the exemption entitled to small companies under s414 of the Companies Act 2006.

DIRECTORS

The directors who served during year, and to the date of this report unless otherwise stated were:

Stephen Leung (Appointed 1 April 2021)
Ian Rylatt (Appointed 7 May 2021)
Nick Vaughan
Andrew Chadd (Resigned effective 1 April 2021)
James Hopkins (Resigned effective 7 May 2021)

Qualifying third party indemnity provisions were in place for all directors of the company for the current and preceding year.

DIVIDENDS

No dividends have been paid or proposed during the year (2020: £nil).

PRINCIPAL ACTIVITIES

The Annington Developments (Holdings) Limited Group ("Developments Group") was established in 1999 with the purpose of providing planning and development support to the wider Annington Limited Group ('The Group'). Where opportunities arise to create added value through infill development or wholesale redevelopment of landholdings, the Developments Group will carry out limited development on its own account and enter into joint venture arrangements with other landowners and developers where the combination of skills will yield higher returns.

FUTURE DEVELOPMENTS AND GOING CONCERN

Future developments and other factors not under the control of the Company, including the effect of Britain exiting the European Union and those of the COVID-19 pandemic, may impact on the ongoing operations of the business, however, the directors expect the business to continue, for the foreseeable future, in a manner consistent with its historical operations.

The Company operates in the real estate sector in the United Kingdom. In certain circumstances, the Company may have reason to look to the parent entity or wider Annington Limited group for support to continue as a going concern for the foreseeable future. The Directors have assessed the parent entity and the Group's ability to provide this support.

The Group, through Annington Funding plc, has issued £3.8 billion of unsecured corporate bonds in seven tranches. Under the facilities agreement, as extended in March 2020, a further £400 million term loan has been drawn by the Group and an undrawn revolving credit facility of £100 million is available to the Group, both expiring in 2025.

Critical to the Group's future as a going concern is the ability to service and repay its debt. For the foreseeable future, at least until the maturity of the Euro denominated tranche of Notes in 2024, the Group only needs to pay the interest on the debt. The debt has a number of covenants to comply with under both the bonds and loan facility. The covenants attaching to the debt are:

Covenant	Test	Limit for Bonds	Limit for Loans
Limitation on Debt	Total debt / Total assets	<65%	<65%
Limitation on Secured Debt	Secured debt / Total assets	<40%	<40%
Interest Cover Ratio	EBITDA / Interest	1.0x (dividend lockup at 1.3x)	1.15x (dividend lockup at 1.3x)
Unencumbered Assets	Unencumbered assets / Unsecured Debt	>125%	>125%

DIRECTORS' REPORT

The Group's forecasts do not indicate any of these covenants will be breached in the foreseeable future. Further, the Group's forecasts do indicate that sufficient cash flow will be generated to cover payments of interest on its debt and generate significant additional free cash flows to allow for reinvestment or potential dividends to shareholders. Further, were this not possible, cash reserves and the undrawn revolving credit facility provides additional liquidity to the Group to allow the continued operation for the foreseeable future. The Directors are satisfied that sufficient actions are available to mitigate any potential adverse impact on covenant compliance in the event of any reasonably foreseeable unfavourable outcome to the ongoing Site Review process.

The Group meets its day-to-day working capital requirements from both rental income and property sales. In uncertain economic environments, such that there is uncertainty over the level of demand for properties, comfort is gained that the rental income is sufficient to meet debt service requirements without the need for sales. A significant number of units could become void and the Group would still be able to service its debt obligations from the remaining rental income.

After making enquiries, including seeking assurances from the company's parent entity and receiving confirmation that it will provide financial assistance if required, the Directors have a reasonable expectation that the Company has access to adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Annual Report and Financial Statements.

FINANCIAL RISK MANAGEMENT

The Company has no external debt and is financed by another company within the Group and may seek further financing from such sources in the future. The loan bears a fixed rate of interest, which mitigates the risk of fluctuating interest rates.

The risk of debtor non-payment is mitigated by the nature of the debtor balances owed, being due from subsidiary companies, with impairments recorded to recognise these balances at the estimated recoverable amounts. Liquidity risk is mitigated through the ability to enter financing arrangements with other members of the Group.

AUDITOR

Each of the persons who is a director at the date of approval of this annual report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office as auditor and arrangements have been put in place for them to be reappointed as auditor in the absence of an Annual General Meeting.

Approved by the Board of Directors and signed on behalf of the Board

S Leung
Director
5 November 2021

REGISTERED OFFICE

1 James Street
London, United Kingdom
W1U 1DR

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; 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 responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF ANNINGTON DEVELOPMENTS (HOLDINGS) LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Annington Developments (Holdings) Investment Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 March 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the income statement;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 12.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework"] (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF ANNINGTON DEVELOPMENTS (HOLDINGS) LIMITED (continued)

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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 auditor's report.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team including relevant internal specialists such as tax specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC .

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF ANNINGTON DEVELOPMENTS (HOLDINGS) LIMITED (continued)

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Richard Howe FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
5 November 2021

INCOME STATEMENT
For the year ended 31 March 2021

	Note	2021 £'000	2020 £'000
Impairment of intercompany loans	3, 8	(10,764)	(14,681)
Operating loss	3	(10,764)	(14,681)
Finance income	5	11,013	10,140
Finance costs	5	(238)	(444)
Profit/(loss) before taxation		11	(4,985)
Taxation	6	-	-
Profit/(loss) for the financial year		11	(4,985)
Profit/(loss) attributable to shareholder		11	(4,985)

The accompanying notes (1 to 12) should be read in conjunction with these financial statements.

There were no items of other comprehensive income or expense and therefore the income for the year reflects the Company's total comprehensive income.

BALANCE SHEET
At 31 March 2021

	Note	2021 £'000	2020 £'000
Non-current assets			
Receivables	8	8,354	8,445
Investment in subsidiary companies	7	-	-
Total assets		8,354	8,445
Current liabilities			
Borrowings	9	(7,729)	(7,831)
Total liabilities		(7,729)	(7,831)
Net assets		625	614
Capital and reserves			
Share capital	10	-	-
Retained earnings - distributable		625	614
Total equity		625	614

The accompanying notes (1 to 12) should be read in conjunction with these financial statements.

The financial statements of Annington Developments (Holdings) Limited, registered number 03818327, were approved by the Board of Directors and authorised for issue on 5 November 2021.

Signed on behalf of the Board of Directors

S Leung

Director

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 March 2021

	Share capital £'000	Retained earnings £'000	Total equity £'000
At 1 April 2019	-	5,599	5,599
Loss attributable to shareholder, being total comprehensive loss for the year	-	(4,985)	(4,985)
Balance at 31 March 2020	-	614	614
Profit attributable to shareholder, being total comprehensive income for the year	-	11	11
Balance at 31 March 2021	-	625	625

The accompanying notes (1 to 12) should be read in conjunction with these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2021

1. CORPORATE INFORMATION

Annington Developments (Holdings) Limited ("the Company") is a company incorporated in the United Kingdom under the Companies Act 2006. The Company is a private company limited by shares and is registered in England and Wales. The Company's principal activities are set out in the Directors' report on page 1. The address of its registered office is 1 James Street, London, United Kingdom, W1U 1DR. Information on the Company's ultimate parent is presented in Note 12.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS 101"), and with the Companies Act 2006.

The financial statements are presented in pound sterling and rounded to the nearest thousand (£000), except where otherwise indicated. They have been prepared under the historical cost basis, except for investment in subsidiary companies that is measured at fair value at the end of each reporting period.

Exemptions for qualifying entities under FRS 101

FRS 101 permits a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been applied by the Company. Therefore these financial statements do not include:

- certain comparative information as otherwise required by UK-adopted International Financial Reporting Standards, including an opening balance sheet;
- certain disclosures regarding the Company's capital;
- a statement of cash flows;
- certain disclosures in respect of financial instruments;
- the effect of future accounting standards not yet adopted; and
- disclosure of related party transactions with wholly-owned members of the Group.

The above disclosure exemptions have been adopted because equivalent disclosures are included in the consolidated financial statements of Annington Limited, which are publicly available.

Going concern

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Annual Report and Financial Statements.

Further details regarding the adoption of the going concern basis are to be found in the Directors' report.

Group financial statements

The Company has taken advantage of the exemption from preparing consolidated financial statements afforded by Section 400 of the Companies Act 2006 because it is a wholly owned subsidiary of another company and for which consolidated financial statements are prepared.

New Standards, interpretations and amendments effective from 1 April 2020

No new standards, amendments or interpretations, effective for the first time for the financial year beginning on or after 1 April 2020, have had a material impact on the company.

New Standards and interpretations issued but not yet effective

At the date of authorisation of these financial statements, a number of new and revised standards and amendments have been issued and adopted by the UK but are not yet effective. These standards and interpretations have not been early adopted by the Company and are not expected to have a material impact on the financial statements of the Company in future periods.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2021 (continued)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Critical accounting judgements and key estimation uncertainties

The preparation of the financial statements requires management to make judgements, estimates and assumptions that may affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Further details regarding key sources of estimation uncertainty for the Company can be found within Note 7 with respect to the valuation of investments in subsidiary companies.

Management has determined that no critical accounting judgements exist within the above sources of estimation uncertainty.

3. OPERATING LOSS

	2021 £'000	2020 £'000
Operating loss is stated after charging:		
Impairment of intercompany loans (Note 8)	10,764	14,681

The auditor's remuneration was £9,000 (2020: £8,300) for the audit of the Company's annual financial statements, and was borne by another group company, in the current and preceding year.

In accordance with SI 2008/489 the Company has not disclosed the fees payable to the Company's auditor for 'Other services' as this information is included in the consolidated financial statements of Annington Limited.

4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The directors received no emoluments for their services to the Company in the current and preceding year.

The Company had no employees of its own during the current or preceding year. The cost of performing work for the Company is borne by another group company.

5. FINANCE INCOME AND COSTS

ACCOUNTING POLICY

Interest income is recognised over time, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Finance costs, including any transaction costs, are charged to the income statement using the effective interest rate method.

	2021 £'000	2020 £'000
Finance income		
Interest receivable on intercompany balances	11,013	10,140
Finance costs		
Interest payable on intercompany balances	238	444

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2021 (continued)

6. TAXATION

ACCOUNTING POLICY

Tax is recognised in the income statement and is measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted at the balance sheet date in the countries where the Company operates and generates taxable income. Taxable profit differs from profit before tax as reported in the income statement because it excludes some items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

The standard rate of current tax for the year, based on the UK standard rate of corporation tax is 19% (2020: 19%). The tax for the year differs from the standard tax rate for the reasons set out in the following reconciliation:

	2021 £'000	2020 £'000
Profit/(loss) before tax	11	(4,985)
Tax (charge)/credit at the standard rate	(2)	947
Factors affecting the current tax for the year:		
Expenses not deductible for tax purposes	(2,090)	(2,874)
Non-taxable income	2,092	1,927
Taxation for the year	-	-

The rate of Corporation Tax for the UK remains at 19%. In the March 2021 Budget, it was announced that the UK's Corporation Tax rate will increase to 25% from April 2023.

No deferred tax liabilities are recognised on temporary differences associated with investment in subsidiaries for the current year and preceding year.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2021 (continued)

7. INVESTMENTS IN SUBSIDIARY COMPANIES

ACCOUNTING POLICY

The Company has elected to account for its investments in subsidiaries at fair value. Fair value is determined by reference to the discount or premium to net asset value of similar investments listed on the London Stock Exchange. If the carrying amount is increased or decreased as a result of a revaluation, the change is recognised in other comprehensive income and accumulated in equity. If a revaluation decrease exceeds the accumulated revaluation gains in equity and there is objective evidence of impairment, the excess is recognised in profit or loss.

Key sources of estimation uncertainty

The value of investments in subsidiaries is based on the underlying value of each subsidiary's net assets, both of which are negative, and hence a value of £nil has been recorded. The underlying asset values within the Group are subject to judgements and estimates, changes in which could change the valuation base.

The market value of the investment in subsidiaries was £nil at 31 March 2021 (2020: £nil). The historical cost of the investment in subsidiaries was £nil at 31 March 2021 (2020: £nil).

The Company's subsidiary undertakings at 31 March 2021, in which it owns ordinary shares, are shown below:

Name of subsidiary undertaking	Country of incorporation	Principal activity
Annington Developments Limited	United Kingdom	Property development
Annington (DA) Investments Limited	United Kingdom	Property investment

These undertakings at 31 March 2021 are wholly owned and included in the consolidated financial statements of the ultimate holding company, Annington Limited. The registered office for all subsidiary undertakings is 1 James Street, London W1U 1DR.

8. RECEIVABLES

ACCOUNTING POLICY

Receivables are initially recognised at fair value when the Company becomes entitled to receive the contractual cash flows and are subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

Impairment provisions for receivables are recognised based on a forward looking expected credit loss model. The company recognises a lifetime expected credit loss when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the loan receivable has not increased significantly since initial recognition, the Company measures a loss allowance for that loan receivable at an amount equal to 12-month expected credit losses.

	2021 £'000	2020 £'000
Amounts owed by group undertakings	8,354	8,445

Amounts due from group undertakings include £121.9 million (2020: £112.8 million) which is unsecured, interest bearing of 8% and is repayable in March 2025 and £27.6 million (2020: £26.0 million) which is unsecured, interest bearing of 7.84% and is repayable in March 2025. An impairment of £10.8 million was recorded for the year ended 31 March 2021 (2020: £14.7 million) with accumulated impairments as at 31 March 2021 being £121.9 million and £19.3 million respectively (2020: £112.8 million and £17.6 million).

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2021 (continued)

9. BORROWINGS

ACCOUNTING POLICY

Loans and borrowings are initially recognised at fair value less the transaction costs directly attributable to their issue. After initial recognition at fair value, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method, such that discounts and costs are charged to the income statement over the term of the borrowing at a constant return on the carrying amount of the liability. The debt and associated accrued interest are classified as current and non-current based on the contractual payments required within 12 months of the balance sheet date.

	2021 £'000	2020 £'000
Amounts falling due within one year		
Amounts due to group undertakings	7,729	7,831

Previous terms covering the amounts due to group undertakings expired on 31 March 2020. During the year, these borrowings were replaced by loans of the same value that are unsecured, with an interest rate to be agreed from time-to-time between the parties and have no fixed date of repayment. On 31 March 2021, the parties agreed to an interest rate of 3.3235% (2020: 8.02%) effective from 1 April 2020 until such time that a new rate is agreed.

10. SHARE CAPITAL

	2021 £	2020 £
Authorised, issued and fully paid		
1 ordinary share of 1p	0.01	0.01
	0.01	0.01

11. RELATED PARTY DISCLOSURES

The Company is a wholly owned subsidiary within the Annington Limited Group and is included in the consolidated financial statements of Annington Limited. The Company has taken advantage of the exemption provided in paragraph 8(k) of FRS 101 not to make disclosure of transactions with other wholly-owned entities that are part of the same group.

12. CONTROLLING PARTY

Annington Homes Limited, a company incorporated in the United Kingdom, is the immediate parent company.

The directors regard Terra Firma Holdings Limited, a company registered in Guernsey, as the ultimate parent entity. The ultimate controlling party is Guy Hands.

Annington Limited is the parent company of the largest and smallest group of which the Company is a member and for which group financial statements are drawn up. The Annual Report and Financial Statements for Annington Limited are available on request from the registered office at 1 James Street, London, United Kingdom, W1U 1DR.