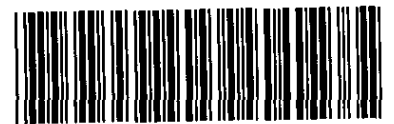


TTRE HOLDINGS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

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TTRE HOLDINGS LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2021

Introduction

The directors present their Strategic Report for TTRE Holdings Limited (the "company") and its subsidiaries (together, the "group") for the year ended 31 March 2021. Comparable numbers from the prior period, set out in both this strategic report and the financial statements that follow, relate to the period from the date of incorporation 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 during the prior period it acquired 93.875% of Lands Improvement Group Limited and its subsidiaries ("LIGL") and 100% of Telereal 112 Investments Limited and its subsidiaries.

During the year ended 31 March 2021 the group made further acquisitions. On 16 December 2020 the company incorporated two new wholly owned subsidiaries, TTRE (Securitised) Holdings Limited and TTRE (General) Holdings Limited and on 22 December 2020 those new subsidiaries were used to acquire groups of entities, that hold and lease specialised and general purpose properties to BT, for consideration of £3,500,000,000.

The principal activity of the company is that of a holding company. The group is principally engaged in the ownership and management of a portfolio of properties based in the UK. The group's main objective is to deliver value to its shareholders from its holding and leasing of specialised and general purpose properties to British Telecommunications PLC ("BT") and from the development of strategic land.

In the year to 31 March 2021 the group reported turnover of £118,305,000 (2020: £17,906,000) and an operating profit of £88,954,000 (2020: loss of £33,870,000). The net finance charge for the year was £44,940,000 (2020: £2,061,000). Total comprehensive income for the year was £144,713,000 (2020: total comprehensive expense of £35,825,000) of which a loss of £513,000 (2020: £133,000) is attributable to non-controlling interests. The large changes, when comparing the results in the year to March 2021 to the prior period, are due to the acquisitions made during the year.

At 31 March 2021, the group's investment properties were valued at £7,263,066,000 (2020: £245,072,000), the increase being a direct result of the acquisitions made during the year. The group also held stock with a carrying value of £172,794,000 (2020: £177,866,000).

At 31 March 2021 the group has net assets of £114,419,000 (2020: net liabilities of £29,680,000). The change to net assets is a direct result of the total comprehensive income generated in the year to 31 March 2021.

Within the groups of companies acquired during the year to 31 March 2021, the two entities that own the properties which are leased to BT are Telereal Securitized Property Limited Partnership and Telereal General Property Limited Partnership (together the "Partnerships"). The Partnerships obtain financing through term advances from Telereal Securitisation PLC ("the Securitisation Issuer") and Telereal Secured Finance PLC (the "Secured Finance Issuer") (together the "Issuers") respectively.

Telereal 112 Limited, one of the subsidiaries of Telereal 112 Investments Limited acquired by the group in the prior period, also obtains financing through term advances from the Secured Finance Issuer.

The Issuers obtained financing through the issue of securitised bonds. Some of the securitised bonds issued by the Securitisation Issuer are at floating interest rates. In such instances, the Securitisation Issuer has hedged fully the interest rate risks with interest rate swaps and as such pays a fixed rate of interest. These swaps are held with counterparties that have A credit ratings. Other securitised bonds issued by the Securitisation Issuer and the securitised bonds issued by the Secured Finance Issuer are at fixed interest rates. The fixed interest rates paid by the Issuers match the rates paid by the Partnerships under the term loan advances subject to a margin of 0.01% payable by the Partnerships. These term advances are secured by way of a fixed charge on the assets of the Partnerships.

TTRE HOLDINGS LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Principal activities and business review (continued)

On 10 March 2021 the Securitisation Issuer carried out a refinancing in which £304,459,000 of bonds were repaid, and two new tranches of bonds were issued. The first tranche is fully amortising through to 10 December 2031, has a nominal value of £325,000,000 and a fixed interest rate of 1.3657%. The second tranche is fully amortising between 10 March 2026 and 10 December 2031. It has a nominal value of £250,000,000 and a fixed interest rate of 1.9632% until 10 March 2026, after which floating rate interest becomes payable. The interest rate for the floating rate period has been fixed at 8.5458% using interest rate swaps. This tranche can be repaid in full without penalty from the end of the fixed rate period on 10 March 2026, and as such the expected maturity date for this tranche is 10 March 2026, when the bonds are expected to be repaid and replaced with bonds with an interest rate lower than 8.5458%.

In March 2021 the group refinanced its bank loan facilities, which were due to mature in March 2021 and which are secured against the group's strategic land portfolio, with a new bank loan maturing in 2026. The group also refinanced its shareholder loans of £15,000,000 in March 2021 with new loans also maturing in 2026.

Going concern and COVID-19

The group has net assets of £114,419,000 and the company has net liabilities of £21,140,000 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 group's strategic land portfolios are largely unaffected by the pandemic owing to the continuing nationwide shortage of land available for housing development. The directors consider that the risk of the pandemic having a significant impact on the 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. The group's principal source of rental income arises from its contract with British Telecommunications PLC ("BT"). The long term contractual cash flows from BT also form one of the inputs in arriving at the valuation of the company's investment property valuations. Although BT's sports and enterprise revenue have been affected by the pandemic, this has not significantly impacted BT's overall financial strength, as evidenced by its latest results and credit ratings.

Management reviews the loan covenants on its debt on a quarterly basis and consider that there is sufficient headroom that the loan covenants will not be breached for at least the next 12 months.

At 31 March 2021, the group recognised net current liabilities of £2,917,151,000 and the company recognised net current liabilities of £235,224,000. Management has prepared forecast cash flows for the group for at least 12 months from the date of signing the financial statements, and has considered the recoverability and liquidity of its net current assets.

The net current liability position of the group and company at 31 March 2021 is largely driven by loans payable to entities within the wider group, the largest of which is a £3,263,044,000 loan to the company from Telereal Investments Limited ("TIL"), the company's immediate parent undertaking. The company has received confirmation from TIL that it will not call for repayment of its loan to the company for at least one year from the date of signing of these financial statements. As such, 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 and as a result, they continue to adopt the going concern basis in preparing the financial statements. BT has continued to operate as normal during the pandemic with no business disruption and BT has continued to meet its obligations in this period. Management continues to monitor the situation closely.

Post balance sheet events

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 £18,792,000, increase the deferred tax liability by £13,279,000 and increase the deferred tax asset by £32,071,000.

TTRE HOLDINGS LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

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.

Property risk

As an investor in property the group is exposed to potential reductions in the value of its properties. The directors consider the risk of material adverse changes in the value of the group's properties which are leased to BT to be low given the length of the leases and the financial strength of BT. The directors also consider the risk of adverse changes in group's 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

In relation to the group's strategic land business, the majority of income and costs are subject to inflation. The long term nature of these 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.

The group's business related to properties leased to BT is not exposed to inflation risk.

TTR HOLDINGS LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Financial risk management objectives and policies (continued)

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.

Counterparty risk

The group faces counterparty risk in three main areas: in respect of rental income, its cash balances and also in respect of any "in-the money" swaps in the year ended 31 March 2021. The majority of the group's income is from BT, who have a long term investment grade credit ratings. The group's bank balances are deposited at banks with long-term credit ratings which are monitored by the group treasurer. As at 31 March 2021, the group's balances were mainly deposited with Barclays which has an investment grade credit rating on long term instruments. The interest on the floating rate bonds is hedged by Telereal Securitisation PLC ("the Issuer"), and the counterparties are Citibank and Lloyds TSB. The interest on the bank debt and other loans is fixed through swaps which are held with ING, Santander, Barclays, HSBC and RBS. The swap counterparties have been assigned long term investment grade credit ratings.

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.

The group has achieved sustainable returns to shareholders by providing a return on their investment through its profitable and cash generative activities while continuing to maintain a healthy working capital position. The group maintains the highest practicable standards of health and safety with an Occupational Health and Safety Management System structured and managed in accordance with the principles of the Occupational Health and Safety Assessment Series (OHSAS) 18001.

TTRE HOLDINGS LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

S172 Compliance Statement

We set out below our s172 Statement in accordance with The Companies (Miscellaneous Reporting) Regulations 2018 (the Regulations). The Regulations have been in force with effect from 1 January 2019 and apply to reporting periods starting on or after that date. The Regulations require directors to report how they have considered their duties under Section 172 of the Companies Act 2006 (the CA 2006) during the reporting period. As with many companies, decision making within the group is complex and the directors consider many factors, sometimes conflicting, when reaching decisions. Quality decision-making is supported by board meetings. The directors' principal decisions are always driven by the need to promote the success of the group for the benefit of its members as a whole and whilst taking principal decisions they consider all of their duties under the CA 2006, including having regard to all of the matters under Section 172 (1) a) to f). The impact of principal decisions on stakeholders is considered in detail and such discussions are noted in board minutes.

The group, at appropriate decision points, seeks guidance from independent advisors to strengthen, challenge and validate decision making.

Summary of how the Board engages with our stakeholders

The group considers that the stakeholder groups that are impacted by the group, its decisions and its business activities are the key stakeholders and include the group's employees, its customers, supply chain partners, the local environment and communities where our sites are situated and our shareholders.

The management team and other employees take part in direct and indirect engagement with various stakeholder groups. The group recognises the importance of its stakeholders. Without its dedicated and committed team of employees, the group would be unable to provide high quality levels of service and without its customers the group would be unable to benefit from revenue generation.

Each of the stakeholder categories listed below (customers, employees, etc) are discussed and reviewed by the Telereal Trillium Executive Committee (the Exec). Reports prepared by senior employees on each of the stakeholder categories below are submitted to the Exec for their consideration on a periodic basis throughout the year. By reviewing these matters at the highest level in the organisation, the directors can demonstrate that they have had regard to the need to foster the group's business relationships with suppliers, customers and others, and the effect of that regard, including on the principal decisions taken by the group. Examples of principal decisions made during the year are:

- Decisions in relation to COVID-19, which are documented in the table below.
- The decision to refinance the group's bank loan and shareholder loan which are secured against the groups strategic land portfolio. In doing so the directors considered investors' needs for funding of the group and the decision included selecting the most appropriate lending agreement to meet investors' requirements. Furthermore, the decision was deemed to be beneficial to all of the group's stakeholders as it will allow the business to continue operating as a going concern.
- The decision to acquire groups of entities that hold and lease specialised and general purpose properties to BT.

TTRE HOLDINGS LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

S172 Compliance Statement (continued)

In addition, the directors have had regard, to the following:

Stakeholder	How the Board has considered their s172 obligations
Customers	<p>A standing agenda item at each monthly meeting of the group's Executive Committee is for the review of papers presented, which include an Asset report and individual updates for the group's key clients. The papers presented are used to inform the Executive and assist them in their decision making.</p> <p>A key customer is BT and in relation to this ongoing relationship, regular meetings were convened during the relevant period with various teams at BT covering areas of contractual management, disposals, marketing and future opportunities in order that both BT and the group are kept fully informed on all these matters. Regular interaction with the customer enabled the group to understand the impact of COVID-19 on their business and therefore any relevant impacts on the group. There is an agreement in place that regulates the contractual relationship with BT and any board discussions or decisions are underpinned by this arrangement.</p> <p>There is a structured governance framework in place with regards to each main contract which regulates the customer/supplier relationship. Any board discussions or decisions are underpinned by the governance framework.</p>

TTRE HOLDINGS LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

S172 Compliance Statement (continued)

Stakeholder	How the Board has considered their s172 obligations
Employees	<p>Each year the group coordinates an anonymous group-wide employee engagement survey, the results of which and actions to be taken are reviewed and considered by the Executive Committee. Some of the decisions made as a result of the survey relate to training and development and also the group's response to the COVID-19 pandemic, which included some of the measures to keep employees safe noted below.</p> <p>Training & development is made available and accessible to all staff group-wide, including the provision of study packages for professional qualifications and general training to meet specific requirements or continuing professional development.</p> <p>This year, the Board recognised that the COVID-19 pandemic could result in employees having concerns regarding job security, health and safety at work and the challenges of working from home. Regular communications by the board were used to ensure that employees were kept informed about potential measures, in respect of the COVID-19 pandemic, that may impact them. This encompassed measures to keep employees safe, which included:</p> <ul style="list-style-type: none"> - Allowing staff to work from home. - Where travel was required, allowing flexibility around timing of travel so that employees could avoid busy times and having to gather in crowded places. - Restricting the number of people that could use meeting rooms and lifts at the same time. - The requirement for face coverings in lifts and other common areas. - Installing antibacterial door handle covers. - The provision of hand sanitiser at office locations. - Notification arrangements in place for positive Covid cases amongst employees. - Changes to ventilation systems to allow better airflow through office buildings to reduce the spread of the virus. <p>As a result of the COVID-19 pandemic the group considered but did not feel it necessary to implement any specific cost-reduction measures that would directly impact employees, other than halting recruitment for a period of time.</p>

TTRE HOLDINGS LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

S172 Compliance Statement (continued)

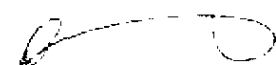
Stakeholder	How the Board has considered their s172 obligations
Communities and environment	<p>The group's corporate social responsibility programme is approved by the Board each year, which includes reviewing the partnerships and charities that the group will engage with in the forthcoming year, all of which must be aligned with the group's philosophy and principles. The Board approves specific budgets for a variety of donations that will be made throughout the year, for example, to our charity partner St Mungo's to which a donation was made during the year to support their mission to end homelessness in the UK.</p> <p>The group operates a charitable donation matching scheme and will match donations made or funds raised by staff up to a maximum £2,500 per person over a 12-month period.</p> <p>Payroll giving allows employees to contribute to any number of charities in a tax-efficient manner.</p> <p>Employee volunteering is encouraged through the provision of additional annual leave.</p> <p>Property developments focus on establishing close ties with all community stakeholders, including contributions to local projects.</p> <p>It is a target of the business to reduce energy and waste through eco-friendly activities, for example Board packs are mainly disseminated in electronic form, with a diminishing number of hard copy Executive Committee and Investment Committee packs circulated.</p> <p>Recycling is strongly encouraged with recycling bins situated across each office floor.</p>
Investors	<p>The group's Governance Deed is a governance framework adopted by the group, under which there is a requirement for the provision of management information and statutory reporting to be provided to shareholders and minority investors.</p> <p>Investors are engaged with so that group understands their long term vision for the business and on an annual basis a long term strategic forecast is presented to investors.</p>

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

S172 Compliance Statement (continued)

Stakeholder	How the Board has considered their s172 obligations
Suppliers	<p>All new suppliers who wish to contract with the group must be verified by either the group finance director or his delegate in addition to a compulsory supplier evaluation process undertaken by the group's finance team. The verification and evaluation processes are to ensure that suppliers have suitable policies and procedures in respect of:</p> <ul style="list-style-type: none"> - Anti bribery; - Modern Slavery; - Insurance; - Health and safety; - Environmental considerations; and - Corporate responsibility <p>We also annually review our existing top 100 suppliers (categorised by annual spend) to ensure that they are maintaining suitable policies and procedures in respect of the items listed above.</p> <p>The group publishes its slavery and human trafficking statement for each financial year on its website pursuant to section 54(1) of the Modern Slavery Act 2015, which is approved by the Board before it is published.</p> <p>The group operates a strict anti-bribery and anti-corruption policy through which all employees are required to comply, and this includes the registration of gifts and hospitality (above certain value thresholds) on a register to demonstrate transparency in the corporate relationship. The register is reviewed by each responsible Board member on a quarterly basis.</p>
Commercial collaborators	<p>The group collaborates with some third-party companies in respect of some its strategic land developments. The directors give due consideration to the needs and requirements of those commercial collaborators when making decisions regarding the relevant joint operations. For example, the group is party to an Equalisation and Collaboration Agreement ("CEA") with Aviva Life & Pensions UK Limited ("Aviva") and St Albans Diocesan Property Company Limited ("SADPC") as part of a project to develop a 650 acre site in Bedfordshire. Under the terms of the CEA the group interacts with Aviva and SADPC in respect of all key decisions in relation to the development project. For example, regular meetings are held to discuss sales strategies and cost budgeting.</p>
The Issuers	<p>The interaction of the group with each of the Issuers is governed by the relevant Issuer Borrower Facility Agreement ("IBFA") and management gives due consideration to the requirements of the relevant IBFA when making decisions.</p>

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



Aaron Burns
 Company Secretary

TTRE HOLDINGS LIMITED

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 company did not pay any dividends during the year to its shareholders and no final dividend is recommended (period to 2020: £nil). The group made a dividend payment of £614,000 (period to 2020: £nil) to a non-controlling interest.

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

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 46 days (period to 2020: 46 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 approval of the financial statements.

Matters covered in the strategic report

Details of principal activities, business review, future developments and financial risk management can be found on pages 1 to 9 in the Group Strategic Report. They form part of this report by cross-reference.

Stakeholder engagement

A statement setting how the directors engage with and have regard for; employees, suppliers, customers and other stakeholders and how that effects the principal decisions made by the group, as required by section 172 of the Companies Act 2006, is set out in the Strategic Report on pages 5 to 9.

TTRE HOLDINGS LIMITED

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 the 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, 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 for that year. 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.

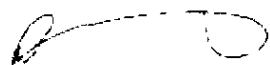
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the group's and company's auditors are unaware, and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the group's and company'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 TTRE Holdings Limited

Report on the audit of the financial statements

Opinion

In our opinion, TTRE Holdings 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 profit 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 members' 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 members 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 members 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 members for the financial statements

As explained more fully in the Statement of directors' responsibilities, the members 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 members 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 members 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 members 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 the Landlord and Tenant Act 1985, 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 members' 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

TTRE HOLDINGS LIMITED

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

		Year ended 31 March 2021 £000	Period ended 31 March 2020 £000
	Note		
Turnover	3	118,305	17,906
Operating costs		(41,557)	(18,127)
Net valuation movements on investment properties (including profit and loss on disposal)	4	12,206	-
Exceptional operating cost		-	(33,649)
Operating profit/(loss)	5	<u>88,954</u>	<u>(33,870)</u>
Interest receivable and similar income	9	3,092	304
Interest payable and similar expense	10	(48,032)	(2,365)
Profit/(loss) before taxation		<u>44,014</u>	<u>(35,931)</u>
Tax on profit/(loss)	11	100,699	106
Profit/(loss) for the financial year/period		<u><u>144,713</u></u>	<u><u>(35,825)</u></u>
Profit/(loss) for the year/period attributable to:			
Non-controlling interests		(513)	(133)
Owners of the parent company		145,226	(35,692)
		<u><u>144,713</u></u>	<u><u>(35,825)</u></u>

The notes on pages 24 to 53 form part of these financial statements.

TTRE HOLDINGS LIMITED
REGISTERED NUMBER: 12367920

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2021

	Note	2021 £000	2020 £000
Fixed assets			
Intangible assets	12	63,267	70,267
Investment properties	14	7,263,066	245,072
		<u>7,326,333</u>	<u>315,339</u>
Current assets			
Stocks	15	172,794	177,866
Debtors: amounts falling due after more than one year	16	152,239	54,530
Debtors: amounts falling due within one year	16	602,494	125,444
Cash at bank and in hand	17	139,598	10,152
		<u>1,067,125</u>	<u>367,992</u>
Current liabilities			
Creditors: amounts falling due within one year	18	(3,984,276)	(397,107)
Net current liabilities		<u>(2,917,151)</u>	<u>(29,115)</u>
Total assets less current liabilities		<u>4,409,182</u>	<u>286,224</u>
Creditors: amounts falling due after more than one year	19	(4,251,360)	(275,293)
Provisions for liabilities			
Deferred taxation	21	(42,048)	(39,207)
Other provisions	22	(1,355)	(1,404)
		<u>(43,403)</u>	<u>(40,611)</u>
Net assets/(liabilities)		<u><u>114,419</u></u>	<u><u>(29,680)</u></u>

TTRE HOLDINGS LIMITED
REGISTERED NUMBER: 12367920

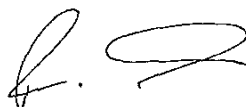
CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2021

	Note	2021 £000	2020 £000
Capital and reserves			
Called up share capital	24	-	-
Retained earnings/(accumulated losses)		109,534	(35,692)
Total equity attributable to owners of the parent company		<u>109,534</u>	<u>(35,692)</u>
Non-controlling interests		4,885	6,012
Total equity/(deficit)		<u><u>114,419</u></u>	<u><u>(29,680)</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



Michael Hackenbroch
Director



Russell Gurnhill
Director

Date: 3 February 2022

The notes on pages 24 to 53 form part of these financial statements.

TIRE HOLDINGS LIMITED
REGISTERED NUMBER: 12367920

COMPANY BALANCE SHEET
AS AT 31 MARCH 2021

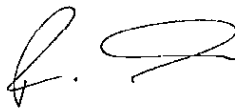
	Note	2021 £000	2020 £000
Fixed assets			
Investments	13	214,084	214,958
		<u>214,084</u>	<u>214,958</u>
Current assets			
Debtors: amounts falling due within one year	16	3,298,638	6,006
		<u>3,298,638</u>	<u>6,006</u>
Current liabilities			
Creditors: amounts falling due within one year	18	(3,533,862)	(256,656)
		<u>(3,533,862)</u>	<u>(256,656)</u>
Net current liabilities		<u>(235,224)</u>	<u>(250,650)</u>
Total assets less current liabilities		<u>(21,140)</u>	<u>(35,692)</u>
Net liabilities		<u>(21,140)</u>	<u>(35,692)</u>
Capital and reserves			
Called up share capital	24	-	-
Accumulated losses		(21,140)	(35,692)
		<u>(21,140)</u>	<u>(35,692)</u>
Total deficit		<u>(21,140)</u>	<u>(35,692)</u>

The company has taken an exemption under section 408 of the Companies Act 2006 from presenting its own income statement in these financial statements. The company's profit after tax for the year was £14,552,000 (period to 2020: loss of £35,692,000).

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



Michael Hackenbroch
Director



Russell Gurnhill
Director

Date: 3 February 2022

The notes on pages 24 to 53 form part of these financial statements.

TIRE HOLDINGS LIMITED

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

	Called up share capital £000	Retained earnings/ (accumulated losses) £000	Equity attributable to owners of parent company £000	Non- controlling interests £000	Total equity/ (deficit) £000
At 17 December 2019	-	-	-	-	-
Comprehensive (expense)/income for the period					
Loss for the period	-	(35,692)	(35,692)	(133)	(35,825)
Non-controlling interests arising on business combinations	-	-	-	6,145	6,145
Total comprehensive income/(expense) for the period	-	(35,692)	(35,692)	6,012	(29,680)
At 31 March 2020 and 1 April 2020	-	(35,692)	(35,692)	6,012	(29,680)
Comprehensive income/(expense) for the year					
Profit/(loss) for the year	-	145,226	145,226	(513)	144,713
Dividends paid to non-controlling interests	-	-	-	(614)	(614)
Other comprehensive expense for the year	-	-	-	(614)	(614)
Total comprehensive income/(expense) for the year	-	145,226	145,226	(1,127)	144,099
At 31 March 2021	-	109,534	109,534	4,885	114,419

The notes on pages 24 to 53 form part of these financial statements.

TTRE HOLDINGS LIMITED

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

	Called up share capital £000	Accumulated losses £000	Total equity £000
At 17 December 2019	-	-	-
Comprehensive expense for the period			
Loss for the period	-	(35,692)	(35,692)
Total comprehensive expense for the period	-	(35,692)	(35,692)
At 31 March 2020 and 1 April 2020	-	(35,692)	(35,692)
Comprehensive income for the year			
Profit for the year	-	14,552	14,552
Total comprehensive income for the year	-	14,552	14,552
At 31 March 2021	-	(21,140)	(21,140)

The notes on pages 24 to 53 form part of these financial statements.

TTRE HOLDINGS LIMITED

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

	2021 £000	2020 £000
Cash flows from operating activities		
Profit/(loss) for the financial year/period	144,713	(35,825)
Adjustments for:		
Amortisation of goodwill	7,000	-
Intangible assets written off	-	33,649
Interest receivable and similar income	(3,092)	(304)
Interest payable and similar expenses	48,032	2,365
Taxation charge	(100,699)	(106)
Decrease/(increase) in stocks	5,072	(1,392)
Decrease/(increase) in debtors	21,148	(12,968)
(Increase)/decrease in amounts owed by group undertakings	(258,181)	13,227
Increase in creditors	104,401	515
Decrease in provisions	(49)	-
Revaluation of investment properties	(16,096)	-
Loss on disposal of investment properties	3,889	-
Corporation tax paid	(7,676)	(2,162)
Net cash utilised in operating activities	(51,538)	(3,001)
Cash flows from investing activities		
Acquisition of businesses (*)	-	-
Purchase of investment properties	(1,076)	-
Sale of investment properties	1,740	-
Interest received	1,398	304
Net cash from investing activities	2,062	304

TTRE HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

	2021 £000	2020 £000
Cash flows from financing activities		
Issue of ordinary shares (*)	-	-
Repayment of loans and borrowings	(69,037)	-
New secured loans	270,541	-
Interest paid	(122,052)	(768)
Dividends paid to non controlling interests	(614)	-
Net cash generated from/(used in) financing activities	78,838	(768)
Net increase/(decrease) in cash and cash equivalents	29,362	(3,465)
Cash and cash equivalents at beginning of year/period	10,152	-
Cash acquired on business combinations	100,084	13,617
Cash and cash equivalents at the end of year/period	139,598	10,152
Cash and cash equivalents at the end of year/period comprise:		
Cash at bank and in hand	139,598	10,152
	139,598	10,152

(*) These transactions were made via intercompany debtor and creditor accounts. No cash moved between the company and its parent company on the issue of shares or between the group and companies within the wider group from which it acquired businesses.

The notes on pages 24 to 53 form part of these financial statements.

TTRE HOLDINGS LIMITED

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

1. Accounting policies

General information

The principal activities of TTRE Holdings 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 140 London Wall, London EC2Y 5DN.

Basis of preparation of financial statements

The group and individual financial statements of TTRE Holdings 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 £114,419,000 and the company has net liabilities of £21,140,000 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 group's strategic land portfolios are largely unaffected by the pandemic owing to the continuing nationwide shortage of land available for housing development. The directors consider that the risk of the pandemic having a significant impact on the 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. The group's principal source of rental income arises from its contract with British Telecommunications PLC ("BT"). The long term contractual cash flows from BT also form one of the inputs in arriving at the valuation of the company's investment property valuations. Although BT's sports and enterprise revenue have been affected by the pandemic, this has not significantly impacted BT's overall financial strength, as evidenced by its latest results and credit ratings.

Management reviews the loan covenants on its debt on a quarterly basis and consider that there is sufficient headroom that the loan covenants will not be breached for at least the next 12 months.

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

1. Accounting policies (continued)

Going concern and COVID-19 (continued)

At 31 March 2021, the group recognised net current liabilities of £2,917,151,000 and the company recognised net current liabilities of £235,224,000. Management has prepared forecast cash flows for the group for at least 12 months from the date of signing the financial statements, and has considered the recoverability and liquidity of its net current assets.

The net current liability position of the group and company at 31 March 2021 is largely driven by loans payable to entities within the wider group, the largest of which is a £3,263,044,000 loan to the company from Telereal Investments Limited ("TIL"), the company's immediate parent undertaking. The company has received confirmation from TIL that it will not call for repayment of its loan to the company for at least one year from the date of signing of these financial statements. As such, 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 and as a result, they continue to adopt the going concern basis in preparing the financial statements. BT has continued to operate as normal during the pandemic with no business disruption and BT has continued to meet its obligations in this period. Management continues to monitor the situation closely.

Financial reporting standard - reduced disclosure exemptions

The parent 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 TTRE Holdings 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.

TRE HOLDINGS LIMITED

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

1. Accounting policies (continued)

Basis of consolidation (continued)

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

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

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:

Rental income

Rental income is recognised in the Consolidated 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.

Service charge income is accounted for on the accruals basis in the period to which it relates.

Disposals of stock

Proceeds from the sale of properties held for sale are recognised in the Consolidated 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 Linnere joint operations contract. Income is recognised in the Consolidated Statement of Comprehensive Income when the significant risks and returns have been transferred to the buyer.

Other income

Other income is recognised in the Consolidated Statement of Comprehensive Income on an accruals basis. The group recognises other income when the amount of revenue can be measured reliably, and it is probable that future economic benefit will flow to the group.

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

Operating costs

Operating costs are recognised in the Consolidated Statement of Comprehensive Income on an accruals basis. The cost of properties held for sale disposed in the year are recognised in the Consolidated 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 Consolidated Statement of Comprehensive Income on a straight-line basis over the period of the leases.

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

1. Accounting policies (continued)

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 Consolidated 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.

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.

TTRE HOLDINGS LIMITED

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

1. Accounting policies (continued)

Intangible fixed assets

Business combinations are accounted for by applying the purchase method.

The cost of the business combination is the fair value of the consideration given, liabilities incurred or assumed and of equity instruments issued plus the costs directly attributable to the business combination. Where control is achieved in stages the cost is the consideration at the date of each transaction.

On acquisition of a business, fair values are attributed to the identifiable assets, liabilities and contingent liabilities unless the fair value cannot be measured reliably, in which case the value is incorporated in goodwill. Where contingent liabilities cannot be reliably measured, they are disclosed on the same basis as other contingent liabilities.

Goodwill recognised represents the excess of the fair value and directly attributable costs of the purchase consideration over the fair value of the group's interest in the identifiable net assets, liabilities and contingent liabilities acquired.

Goodwill is amortised over its useful expected life. Where the group is unable to make a reliable estimate of useful life, goodwill is amortised over a period not exceeding 10 years. Goodwill is assessed for impairment where there are indicators of impairment and any impairment is charged to the Consolidated Statement of Comprehensive Income. Reversals of impairment are recognised when the reasons for the impairment no longer apply.

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 Consolidated 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.

TIRE HOLDINGS LIMITED

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

1. Accounting policies (continued)

Investments in subsidiaries

Investment in subsidiaries comprises equity investments in 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 Consolidated 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 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. This is generally on unconditional exchange of contracts.

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 Consolidated 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 Consolidated 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 Linnere. 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 Linnere 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 Linnere 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 Linnere 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.

TIRE HOLDINGS LIMITED

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

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 Consolidated Statement of Comprehensive 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.

Provisions for liabilities and charges

Provisions are made where an event has taken place that gives the group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the group becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the balance sheet.

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

1. Accounting policies (continued)

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 Consolidated 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 Consolidated 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.

(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 Consolidated Statement of Comprehensive Income in finance costs or income as appropriate. The group does not currently apply hedge accounting for interest rate derivatives.

TTRE HOLDINGS LIMITED

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

1. Accounting policies (continued)

Financial instruments (continued)

(ii) Financial liabilities (continued)

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 Consolidated 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.

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

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

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

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. In the year to 31 March 2021 an impairment was recognised as the recoverable amount of the stock was less than its carrying amount when assessed at year end.

Valuation of investments

The parent company reviews the carrying value of its investment in subsidiaries at each balance sheet date with reference to the net asset value in each subsidiary's latest financial statements and to forecast future cash flows.

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 Linnere 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.

Derivative financial instruments

The group holds derivative financial instruments to hedge its interest rate risk exposures. All derivatives are recognised initially at fair value. Thereafter, derivatives are measured at fair value with changes recognised in profit or loss as part of finance costs. Fair value is based on price quotations from financial institutions active in the relevant market.

TTRE HOLDINGS LIMITED

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

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
Rental income	91,520	16
Income on disposal of stock	10,614	4,933
Income receivable under jointly controlled operations	6,050	12,769
Supplementary service charges	9,000	-
Other income	1,121	188
	<u>118,305</u>	<u>17,906</u>

Income receivable under jointly controlled operations relates to the site in Houghton Regis that the group is developing in collaboration with Aviva and SADPC.

All turnover arose within the United Kingdom.

4. Net valuation movements on investment properties (including profit and loss on disposal)

	Year ended 31 March 2021 £000	Period ended 31 March 2020 £000
Revaluation of investment properties (note 14)	16,095	-
Loss on disposal of investment properties	(3,889)	-
	<u>12,206</u>	<u>-</u>

5. Operating profit/(loss)

The operating profit/(loss) is stated after charging:

	Year ended 31 March 2021 £000	Period ended 31 March 2020 £000
Operating lease rentals	108	20
Cost of properties disposed	10,767	4,933
Cost recognised on income receivable from jointly controlled operations	5,587	12,207
Amortisation of goodwill (note 12)	7,000	-
Impairment of stock (note 15)	2,975	-
	<u>19,337</u>	<u>17,160</u>

TTRE HOLDINGS LIMITED

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

6. Auditors' remuneration

	Year ended 31 March 2021 £000	Period ended 31 March 2020 £000
Fees payable to the group's auditors and their associates for the audit of the group's financial statements:		
Company	40	10
Subsidiaries	221	196
	<u>261</u>	<u>206</u>

In the year ended 31 March 2021 and period ended 31 March 2020, the audit fee for TTRE Holdings Limited and its subsidiaries was paid and borne by Telereal Services Limited, a fellow group undertaking.

7. Staff costs

Staff costs were as follows:

	Group Year ended 31 March 2021 £000	Group Period ended 31 March 2020 £000
Wages and salaries	2,429	472
Social security costs	369	65
Other pension costs	194	39
	<u>2,992</u>	<u>576</u>

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

All employees were employed in the United Kingdom.

TTRE HOLDINGS LIMITED

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

8. Directors' remuneration

	Year ended 31 March 2021 £000	Period ended 31 March 2020 £000
Aggregate emoluments excluding long term incentive scheme and pensions	463	89
Aggregate amounts receivable under long term incentive schemes	3,193	405
Payments of defined contribution pension schemes	7	3
	<u>3,663</u>	<u>497</u>

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

The highest paid director received remuneration of £1,307,000 (period to 2020: £205,000).

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

Directors are remunerated by group companies.

9. Interest receivable and similar income

	Year ended 31 March 2021 £000	Period ended 31 March 2020 £000
Interest receivable from group companies	2,531	269
Other interest receivable	97	35
Change in fair value of interest rate swaps	464	-
	<u>3,092</u>	<u>304</u>

TTRE HOLDINGS LIMITED

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

10. Interest payable and similar expenses

	Year ended 31 March 2021 £000	Period ended 31 March 2020 £000
Term advances		
Term advances from the issuer	106,278	-
Amortisation of fair value adjustment on acquisition	(64,173)	-
Amortisation of issue costs	596	-
	<u>42,701</u>	<u>-</u>
Bank loans and overdrafts		
Bank interest payable	1,876	515
Amortisation of issue costs	1	-
	<u>1,877</u>	<u>515</u>
Other interest		
Interest payable to group undertakings	240	210
Shareholder loan interest	1,341	336
Other interest payable and finance charges	1,838	274
Unwind of discount on provisions (note 22)	35	-
Change in fair value of interest rate swaps	-	1,030
	<u>3,454</u>	<u>1,850</u>
Total interest payable and similar expenses	<u>48,032</u>	<u>2,365</u>

TTRE HOLDINGS LIMITED

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

11. Taxation

	Year ended 31 March 2021 £000	Period ended 31 March 2020 £000
Corporation tax		
Current tax on losses for the year/period	(2,607)	(106)
Adjustments in respect of previous periods	74	-
Total corporation tax	(2,533)	(106)
Deferred tax		
Origination and reversal of timing differences	(98,183)	-
Adjustments in respect of previous periods	17	-
Total deferred tax	(98,166)	-
Total tax credit for the year/period	(100,699)	(106)

Factors affecting tax credit for the year/period

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

	Year ended 31 March 2021 £000	Period ended 31 March 2020 £000
Profit/(loss) before tax	44,014	(35,931)
Profit/(loss) before tax multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	8,363	(6,827)
Effects of:		
Intangible assets written-off	-	6,393
Expenses not deductible for tax	-	342
Non-deductible income	(224)	(14)
Other timing differences	(173)	-
Loss on disposals	739	-
Deferred tax recognised on unutilised losses	(6,976)	-
Deferred tax recognised on fair value adjustments	(104,427)	-
Adjustment in respect of previous periods	91	-
Current tax on acquisition	1,908	-
Total tax credit for the year/period	(100,699)	(106)

TTRE HOLDINGS LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021****11. Taxation (continued)****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%.

12. Intangible assets**Group**

	Goodwill £000
Cost	
At 1 April 2020	70,267
At 31 March 2021	<u>70,267</u>
Accumulated amortisation	
Charge for the year	7,000
At 31 March 2021	<u>7,000</u>
Net book value	
At 31 March 2021	<u><u>63,267</u></u>

TTRE HOLDINGS LIMITED

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

13. Investments

Company

	Investments in subsidiary companies £000
Cost or valuation	
At 1 April 2020	250,650
At 31 March 2021	<u>250,650</u>
Impairment	
At 1 April 2020	35,692
Charge for the year	874
At 31 March 2021	<u>36,566</u>
Net book value	
At 31 March 2021	<u>214,084</u>
At 31 March 2020	<u>214,958</u>

An impairment was made at 31 March 2021 of £874,000 when assessing the financial position of the subsidiaries controlled by the company (2020: impairment of £35,692,000).

A full list of the company's subsidiaries is included in note 29.

TIRE HOLDINGS LIMITED

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

14. Investment properties

Group

	Freehold investment property £000	Leasehold investment property £000	Total £000
Valuation			
At 1 April 2020	191,566	53,506	245,072
Additions	1,076	-	1,076
Disposals	(2,000)	(261)	(2,261)
Surplus on revaluation	15,039	1,056	16,095
Additions on acquisition of subsidiaries	6,758,064	245,020	7,003,084
At 31 March 2021	6,963,745	299,321	7,263,066

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

15. Stocks

	2021 £000	2020 £000
Group		
At beginning of year/period	177,866	-
Additions	8,670	6,325
Disposals	(10,767)	(4,933)
On acquisition of subsidiaries	-	176,474
Impairment	(2,975)	-
At end of year/period	172,794	177,866

Stocks are carried at the lower of cost and net realisable value.

TTRE HOLDINGS LIMITED

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

16. Debtors

	Group 2021 £000	Group 2020 £000	Company 2021 £000	Company 2020 £000
Debtors: amounts falling due after more than one year				
Other group loans	50,091	53,957	-	-
Deferred tax asset (note 21)	101,557	550	-	-
Prepayments and accrued income	591	23	-	-
	<u>152,239</u>	<u>54,530</u>	<u>-</u>	<u>-</u>
	Group 2021 £000	Group 2020 £000	Company 2021 £000	Company 2020 £000
Debtors: amounts falling due within one year				
Trade debtors	833	10,979	-	-
Amounts owed by group undertakings	580,013	93,544	3,298,614	6,006
Tax recoverable	2,808	-	24	-
Other debtors	18,424	20,654	-	-
Prepayments and accrued income	416	267	-	-
	<u>602,494</u>	<u>125,444</u>	<u>3,298,638</u>	<u>6,006</u>

Group

Trade debtors are stated after provisions for impairment of £52,000 (2020: £10,000).

Interest is charged on other group loans at a fixed rate of 4.51% per annum (2020: 4.51% per annum). Security has been granted over other group loans totalling £50,091,000 (2020: £53,957,000).

Amounts owed by group undertakings are unsecured and payable on demand. Interest was paid on these balances at between 0% and 4.6% per annum (2020: between 0% and 4.6% per annum).

Other debtors are amounts receivable 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 or 31 March 2020.

Company

Included within amounts owed by group undertakings is a loan of £3,000,000 (2020: £nil) where interest is received at the base lending rate of Barclays Bank PLC plus 3.0%. All other amounts are unsecured, payable on demand and interest free (2020: unsecured, payable on demand and interest free).

TTRE HOLDINGS LIMITED

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

16. Debtors (continued)

The maturity profile of the carrying amount of the group's long-term debtors, receivable by instalments, is as follows:

	Group 2021 £000	Group 2020 £000	Company 2021 £000	Company 2020 £000
More than 1 year but no more than 2 years	3,866	3,866	-	-
More than 2 years but no more than 5 years	12,944	12,944	-	-
More than 5 years	33,281	37,147	-	-
	<u>50,091</u>	<u>53,957</u>	<u>-</u>	<u>-</u>

17. Cash at bank and in hand

	Group 2021 £000	Group 2020 £000	Company 2021 £000	Company 2020 £000
Cash at bank	139,055	10,152	-	-
Tenant deposits	543	-	-	-
	<u>139,598</u>	<u>10,152</u>	<u>-</u>	<u>-</u>

Included in cash at bank are restricted cash balances totaling £137,370,000 (2020: £5,943,000).

TTRE HOLDINGS LIMITED

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

18. Creditors: amounts falling due within one year

	Group 2021 £000	Group 2020 £000	Company 2021 £000	Company 2020 £000
Term advances payable to the Issuer (note 20)	169,933	12,174	-	-
Bank loans (note 20)	-	4,872	-	-
Trade creditors	2,817	3,100	-	-
Amounts owed to group undertakings	3,623,580	344,236	3,533,862	256,656
Corporation tax	-	1,595	-	-
Other taxation and social security	52,377	3,090	-	-
Other creditors	24,836	14,664	-	-
Accruals and deferred income	110,733	13,376	-	-
	<u>3,984,276</u>	<u>397,107</u>	<u>3,533,862</u>	<u>256,656</u>

Group

There are no material differences between the carrying value and fair value of trade and other creditors as at 31 March 2021 or 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% (2020: between 0% and 4.6%) per annum.

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

Company

Included within amounts owed to group undertakings is a loan of £35,000,000 (2020: £nil) where interest is payable at the base lending rate of Barclays Bank PLC plus 3.0%. All other amounts are unsecured, payable on demand and interest free (2020: unsecured, payable on demand and interest free).

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

	Group 2021 £000	Group 2020 £000	Company 2021 £000	Company 2020 £000
Term advances payable to the Issuer (note 20)	4,169,288	197,495	-	-
Bank loans (note 20)	54,261	60,405	-	-
Shareholders' loans (note 20)	15,000	15,000	-	-
Other creditors	3,952	-	-	-
Accruals and deferred income	6,930	-	-	-
Fair value of interest rate swaps	1,929	2,393	-	-
	<u>4,251,360</u>	<u>275,293</u>	<u>-</u>	<u>-</u>

TTRE HOLDINGS LIMITED

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

20. Loans and Borrowings

	Secured/ Unsecured	Fixed/ Floating	Effective interest rate %	Group 2021 £'000	Group 2020 £'000	Company 2021 £'000	Company 2020 £'000
Term advances repayable to the Issuers (d)							
Term Advances - Tranche 1 (a)	Secured	Fixed	5.06%	3,979,711	-	-	-
Term Advances - Tranche 2 (b)	Secured	Fixed	4.01%	366,095	209,670	-	-
				4,345,806	209,670	-	-
Bank loans (c)							
£55,010,000 - due 03/2026 - LIBOR + 3.25%	Secured	Fixed	3.34%	55,011	65,366	-	-
Shareholder loans (d)							
£15,000,000 amortising facility - due 9/2026 - 12.5%	Unsecured	Fixed	12.50%	15,000	15,000	-	-
Total loans and borrowings before issue costs				4,415,817	290,036	-	-
Less unamortised issue costs				(7,335)	-	-	-
Total loans and borrowings net of unamortised issue costs				4,408,482	290,036	-	-

(a) Term advances - Tranche 1

Obtained from Telereal Securitisation PLC ("the Securitisation Issuer"). The Securitisation Issuer has obtained financing through the issue of securitised bonds, some of which are at floating interest rates. In such instances, the Securitisation Issuer has hedged fully the interest rate risks with interest rate swaps. The fixed interest rates paid by the Securitisation Issuer match the rates paid by the group under the term advances subject to a margin of 0.01% payable by the group. These term advances are secured by way of a fixed charge on the assets of Telereal Securitised Property Limited Partnership, an entity owned by the group. This balance includes the interest accrued on zero coupon bonds that form part of the overall term advances and on which interest will accrue until the bonds mature on 12 December 2036.

Telereal Securitisation PLC is regarded as a related party as the boards of the two companies have a common nucleus of directors.

(b) Term advances - Tranche 2

Obtained from Telereal Secured Finance PLC ("the Secured Finance Issuer") which issued £500,000,000 fully amortising secured bond debt with a final maturity date of December 2033. The debt is secured on the freehold and leasehold properties owned by the Telereal General Property Limited Partnership and Telereal 112 Limited, entities owned by the group. Interest is charged at a fixed rate of 4.01% per annum, payable quarterly in arrears.

Telereal Secured Finance PLC is regarded as a related party as the boards of the two companies have a common nucleus of directors.

TTRE HOLDINGS LIMITED

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

20. Loans and Borrowings (continued)

(c) The group 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. The bank loan matures 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.

The group's bank loan is partially hedged against interest rate swaps. The notional principal of the outstanding swap contracts at 31 March 2021 was £70,000,000. The swap contracts mature in August 2021 and August 2026.

(d) Shareholder loans are listed on the International Stock Exchange and attract interest at 12.5% (2020: 9%) per annum paid quarterly. The loans were due to be repaid in September 2021 in a single payment, however the group refinanced its shareholder loans in March 2021 with new loans maturing in 2026.

	Group 2021 £000	Group 2020 £000	Company 2021 £000	Company 2020 £000
Maturity of financial liabilities				
Within one year	169,933	12,174	-	-
Between one and five years	961,831	129,820	-	-
More than five years	3,284,053	148,042	-	-
	<u>4,415,817</u>	<u>290,036</u>	<u>-</u>	<u>-</u>

TTRE HOLDINGS LIMITED

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

21. Deferred taxation

	2021 £000	2020 £000
Group		
At beginning of year/period	(38,657)	-
Arising on business combinations	-	(38,657)
Credited to profit or loss	98,166	-
At end of year/period	59,509	(38,657)

The deferred taxation balance is made up as follows:

Tax losses carried forward	7,221	263
Property revaluations	(42,048)	(39,207)
Other timing differences	94,336	287
	59,509	(38,657)

Comprising:

Asset	101,557	550
Liability	(42,048)	(39,207)
	59,509	(38,657)

22. Other provisions

	2021 £000	2020 £000
Group - onerous lease		
At beginning of year/period	1,404	-
On acquisition of subsidiaries	-	1,404
Release of provision	(288)	-
Unwind of discount (note 10)	35	-
Utilised in year	204	-
At end of year/period	1,355	1,404

An onerous lease provision is established in respect of leasehold properties for which the expected future rental income is not expected to meet rental and other property specific obligations. The provisions are based on assumptions about expected future rentals and voids. The provision will be settled as the net rental obligations develop. The provision may vary based on the reassessment of the relevant assumptions as circumstances change and new obligations are established.

TTRE HOLDINGS LIMITED

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

23. Financial instruments

	Group 2021 £000	Group 2020 £000	Company 2021 £000	Company 2020 £000
Financial assets that are debt instruments measured at amortised cost:				
Trade debtors	833	10,979	-	-
Amounts owed by group undertakings	630,104	147,501	3,298,614	6,006
Other debtors	18,424	20,654	-	-
Accrued income	1,342	175	-	-
Bank and cash balances	139,598	10,152	-	-
Financial assets at amortised cost	790,301	189,461	3,298,614	6,006
Financial assets measured at fair value through profit or loss	-	-	-	-
Total Financial assets	790,301	189,461	3,298,614	6,006
Financial liabilities				
Financial liabilities measured at fair value through profit or loss:				
Fair value of interest rate swaps	1,929	2,393	-	-
Financial liabilities measured at amortised cost:				
Term advances payable to issuer	4,339,221	209,670	-	-
Bank loans	54,261	65,277	-	-
Shareholder loans	15,000	15,000	-	-
Trade creditors	2,817	3,100	-	-
Amounts owed to group undertakings	3,623,580	344,236	3,533,862	256,656
Other creditors	28,788	14,664	-	-
Accruals	16,881	12,357	-	-
Financial liabilities at amortised cost	8,080,548	664,304	3,533,862	256,656

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).

TIRE HOLDINGS LIMITED

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

24. Called up share capital

	2021 £	2020 £
Allotted, called up and fully paid		
100 (2020 - 100) Ordinary shares of £0.01each	1	1
	<u>1</u>	<u>1</u>

25. Commitments under operating leases

At 31 March 2021 the group 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	131	139
Later than 1 year and not later than 5 years	226	233
Later than 5 years	322	265
	<u>679</u>	<u>637</u>

The group leases out investment properties under non-cancellable operating leases for the following future minimum lease payments. There are no contingent rents.

	Group 2021 £000	Group 2020 £000
Not later than 1 year	298,122	8,485
Later than 1 year and not later than 5 years	1,250,821	36,167
Later than 5 years	1,830,318	60,451
	<u>3,379,261</u>	<u>105,103</u>

TTRE HOLDINGS LIMITED

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

26. 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.

The Issuers of the term advances, being Telereal Securitisation Plc and Telereal Secured Finance Plc are regarded as related parties as the boards of the two companies have a common nucleus of directors. Details of amounts outstanding with them in respect of the term advances are found in note 20. Details of interest paid on these term advances are found in note 10.

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

27. Controlling party

TTRE Holdings Limited is a wholly owned subsidiary of Telereal Investments Limited, a company incorporated in the British Virgin Islands.

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, 140 London Wall, London EC2Y 5DN.

TTRE HOLDINGS LIMITED

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

28. Acquisitions

	Vendor's book value £000	Fair value adjustments £000	Fair value to the group £000
Investment properties	7,003,084	-	7,003,084
Debtors	555,388	-	555,388
Cash at bank	100,084	-	100,084
Creditors	(161,671)	-	(161,671)
Term advances payable to the Issuers (a)	(3,452,628)	(544,257)	(3,996,885)
Deferred tax (b)	(148,227)	148,227	-
Total	3,896,030	(396,030)	3,500,000

On 22 December 2020 the group acquired groups of entities, that hold and lease specialised and general purpose properties to BT, for consideration of £3,500,000,000.

The book value of the assets and liabilities have been taken from the management accounts of the entities acquired as at the acquisition date.

The fair value adjustments arising on acquisition were in respect of the following:

- Term advances payable to the Issuers were revalued to their fair value with reference to the market prices of the corresponding securitised bonds issued by the Issuers.
- Deferred tax was adjusted to £nil in the valuation on the basis that the directors would not expect to receive a discount for deferred tax if making a similar purchase in the open market

TTRE HOLDINGS LIMITED

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

29. 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 which are held indirectly are as follows:

A.L.I.H. (Farms) Limited - (Property investment)
A.L.I.H. (Properties) Limited - (Property investment)
BR Empire S.à r.l. - (Holding company)*
British Field Products Limited - (Property investment)
Empire LIH Limited - (Overhead and service company)
Feltwell Fen Farms Limited - (Dormant company)
Hubert C Leach (High Leigh) Ltd - (Property investment)
Landmatch (L.E.A.) Limited - (Dormant company)
Landmatch Limited - (Property investment)
Lands Improvement Holdings Empire S.à r.l. - (Holding company)*
Lands Improvement Holdings Houghton Regis S.à r.l. - (Property investment)*
Lands Improvement Holdings Landmatch S.à r.l. - (Property investment)*
Lands Improvement Holdings Limited - (Property investment and holding company)
Lands Improvement Holdings Poole S.à r.l. - (Property investment)*
Lands Improvement Holdings Shrewsbury S.à r.l. - (Property investment)*
Lands Improvement Holdings South Cambridge S.à r.l. - (Property investment)*
LIH (High Leigh) Limited - (Property investment)
LIH Colchester Limited - (Property investment)
LIH Financing Limited - (Financing company)
LIH Property 1 (UK) Limited - (Property investment)
LIH Property 2 (UK) Limited - (Property investment)
LIH Shrewsbury Limited - (Property investment)
Moorfield Management Limited - (Property management)
Telereal 112 Holdings Limited - (Holding company)
Telereal 112 Limited - (Property investment)
Telereal Securitised Property GP Limited - (Limited partner in property investment company)
Terrace SP LP Limited - (Limited partner in property investment company)
Telereal Securitised Property Parent Limited - (Holding company)
Terrace SP Holdings Limited - (Holding company)
Tremada Holdings Limited - (Holding company)
Tremada Real Estate Limited - (Limited partner in property investment company)
Telereal Securitised Property Limited Partnership - (Property investment partnership)
Telereal General Property GP Limited - (Limited partner in property investment company)
Terrace GP LP Limited - (Limited partner in property investment company)
Telereal General Property Parent - (Holding company)
Terrace GP Holdings Limited - (Holding company)
Talisman International Holdings Limited - (Holding company)
Talisman Real Estate Limited - (Limited partner in property investment company)

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

TTRE HOLDINGS LIMITED

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

29. Subsidiaries (continued)

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.

The company wholly owns the following entities directly;
Telereal 112 Investments Limited - (Holding company)
TTRE (Securitised) Holdings Limited - (Holding company)
TTRE (General) Holdings Limited - (Holding company)

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 audited as they have taken an exemption under section 479A of the Companies Act 2006. Those subsidiaries are:

Telereal General Property Holdings Limited
Telereal Securitised Property Holdings Limited
Terrace GP Holdings Limited
Terrace SP Holdings Limited

30. Post balance sheet event

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 £18,792,000, increase the deferred tax liability by £13,279,000 and increase the deferred tax asset by £32,071,000.