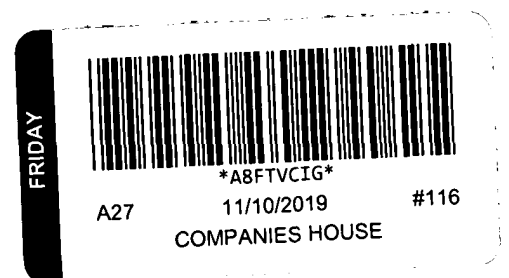


SANCTUARY (NW MANAGEMENT) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

Company Number: 04806841



Sanctuary (NW Management) Limited

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Sanctuary (NW Management) Limited

Directors and advisors at date of approval of the financial statements

Directors

Simon Clark
Nathan Warren
James Whitmore
Peter Williams

Company Secretary

Nicole Seymour

Independent statutory auditor

KPMG LLP
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

Internal auditor

PricewaterhouseCoopers LLP
Cornwall Court
19 Cornwall Street
Birmingham
B3 2DT

Bankers

Barclays Bank PLC
Barclays Corporate
Social Housing Team
Level 27
1 Churchill Place
London
E14 5HP

Legal advisors

Gowling WLG (UK) LLP
Two Snowhill
Birmingham
B4 6WR

Registered office

Sanctuary House
Chamber Court
Castle Street
Worcester
WR1 3ZQ

Registered number

Company number: 04806841

Sanctuary (NW Management) Limited

Directors' Report for the year ended 31 March 2019

The Directors present their annual report and audited financial statements of Sanctuary (NW Management) Limited for the year ended 31 March 2019.

Principal activity

The principal activities of Sanctuary (NW Management) Limited (the Company) are commercial property investment, property development and property management.

The Company's ultimate parent undertaking is Sanctuary Housing Association and the Company forms part of the Sanctuary Group of entities (the Group).

The Company is registered under the Companies Act under number 04806841.

Review of the business and future developments

The results of the Company for the year are set out on page 7. The Company has made a loss for the year of £76,000 (2018: Profit of £1,000); this includes a one-off provision of £85,000 for termination of a joint arrangement (2018: £nil).

The Company will continue to rent out its investment property in the future.

Going concern

The Company currently has net liabilities on its Balance Sheet; however the majority of liabilities relate to balances held with other Group entities. The Company has the continued support of its ultimate parent, Sanctuary Housing Association. Accordingly the Company continues to adopt the going concern basis in its financial statements. Further details are given in note 1.

Key performance indicators

The Company has no specific key performance indicators. The Company is part of the Group and is therefore subject to Group financial management and monitoring of performance.

Risk management

Major business risks of the Company are identified through a system of continuous monitoring. This is achieved through the Group's review of the major strategic, business and operational risks to which the Company is exposed. Systems and procedures are established at a Group level to mitigate those risks and to minimise any potential impact on the Company should any of those risks materialise.

Directors

The Directors who have served during the year and to the date of the financial statements being approved unless otherwise stated were:

Simon Clark	Chair
Craig Moule	(resigned 1 January 2019)
Nathan Warren	
James Whitmore	(appointed 1 January 2019)
Peter Williams	

Company Secretary

Nicole Seymour	(appointed 25 May 2018)
Craig Moule	(resigned 25 May 2018)

Directors' report for the year ended 31 March 2019 continued

Statement of Directors' responsibilities in respect of the Directors' report and the financial statements

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Disclosure of information to independent auditor

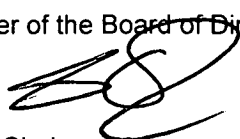
In the case of each Director in office at the date the Directors' report is approved:

- (a) so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- (b) 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 Company's auditor is aware of that information.

KPMG LLP has indicated its willingness to continue in office. A resolution concerning the appointment of the auditor will be proposed at the Annual General Meeting.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

By order of the Board of Directors.



Simon Clark
Chair
5 August 2019

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SANCTUARY (NW MANAGEMENT) LIMITED

Opinion

We have audited the financial statements of Sanctuary (NW Management) Limited for the year ended 31 March 2019 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

The impact of uncertainties due to the UK exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the Directors, such as the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the Company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the Company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

Going concern

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements (the going concern period).

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the Directors' conclusions, we considered the inherent risks to the Company's business model, including the impact of Brexit, and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Company will continue in operation.

Directors' report

The directors are responsible for the Directors' Report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the Directors' Report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SANCTUARY (NW MANAGEMENT) LIMITED CONTINUED

- we have not identified material misstatements in the Directors' Report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 4, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities

The purpose of our audit work and to whom we owe our responsibilities

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



Gordon Docherty
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH
Date: 11 September 2019

Sanctuary (NW Management) Limited

Profit and Loss Account for the year ended 31 March 2019

	Notes	2019 £'000	2018 £'000
Turnover	2	67	67
Operating costs		(145)	(62)
Operating (loss)/profit	3	<u>(78)</u>	<u>5</u>
Interest receivable	4	2	-
(Loss)/profit before taxation		<u>(76)</u>	<u>5</u>
Taxation for the year	6	-	(4)
(Loss)/profit for the financial year		<u><u>(76)</u></u>	<u><u>1</u></u>

The (loss)/profit for the current and prior years relates wholly to continuing activities.

There is no material difference between the (loss)/profit before taxation and the (loss)/profit for the financial year stated above and their historical cost equivalents.

There are no recognised gains and losses other than those included in the Profit and Loss Account above and therefore no separate Statement of Other Comprehensive Income has been presented.

The notes on pages 10 to 17 form part of these financial statements.

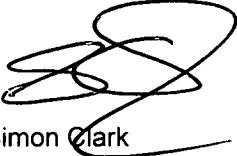
Sanctuary (NW Management) Limited

Balance Sheet as at 31 March 2019

	Notes	2019 £'000	2018 £'000
Fixed assets			
Investment property	7	957	973
		<u>957</u>	<u>973</u>
Current assets			
Debtors	8	2	2
Cash at bank and in hand		653	584
		<u>655</u>	<u>586</u>
Current liabilities			
Creditors: amounts falling due within one year	9	(1,720)	(1,676)
Provisions	10	(85)	-
		<u>(1,805)</u>	<u>(1,676)</u>
Net current liabilities		<u>(1,150)</u>	<u>(1,090)</u>
Total assets less current liabilities		<u>(193)</u>	<u>(117)</u>
Net liabilities		<u>(193)</u>	<u>(117)</u>
Capital and reserves			
Called up share capital	12	-	-
Profit and loss account		(193)	(117)
Total shareholders' deficit		<u>(193)</u>	<u>(117)</u>

The notes on pages 10 to 17 form part of these financial statements.

The financial statements were authorised and approved by the Board of Directors on 5 August 2019 and signed on its behalf by:


 Simon Clark
 Chair

Sanctuary (NW Management) Limited

Statement of Changes in Equity for the year ended 31 March 2019

	Called up share capital	Profit and loss account £'000	Total equity £'000
At 1 April 2017	-	(118)	(118)
Profit for the year	-	1	1
Total comprehensive income	<u>-</u>	<u>1</u>	<u>1</u>
At 31 March 2018	<u>-</u>	<u>(117)</u>	<u>(117)</u>
At 1 April 2018	-	(117)	(117)
Loss for the year	-	(76)	(76)
Total comprehensive income	<u>-</u>	<u>(76)</u>	<u>(76)</u>
At 31 March 2019	<u>-</u>	<u>(193)</u>	<u>(193)</u>

The notes on pages 10 to 17 form part of these financial statements.

Notes to the financial statements for the year ended 31 March 2019

1. Principal accounting policies

General information

Sanctuary (NW Management) Limited is a company incorporated and domiciled in the UK.

The financial statements are presented in pounds sterling, which is the Company's functional currency. Unless otherwise stated, amounts are denominated in thousands (£'000) rounded to the nearest thousand.

Basis of accounting

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101).

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU (Adopted IFRSs), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company has adopted IFRS 15 Revenue from Contracts with Customers (IFRS 15) and IFRS 9 Financial Instruments (IFRS 9) from 1 April 2018, when they became effective. There was no material impact on the Company from adoption of these new standards.

The Company's ultimate parent undertaking, Sanctuary Housing Association, includes the Company in its consolidated financial statements. The consolidated financial statements of Sanctuary Housing Association are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from Sanctuary Housing Association, Chamber Court, Castle Street, Worcester WR1 3ZQ.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- Cash Flow Statement and related notes;
- comparative period reconciliations for investment properties;
- disclosures in respect of transactions with wholly owned subsidiaries of the Group;
- the effects of new but not yet effective IFRSs;
- disclosures in respect of the compensation of Key Management Personnel; and
- certain disclosures required by IFRS 15.

As the consolidated financial statements of Sanctuary Housing Association include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

The financial statements have been prepared on the historical cost basis.

Going concern

Notwithstanding net current liabilities of £1,150,000 as at 31 March 2019 and a loss for the year then ended of £76,000, the financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

The Directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the Company will have sufficient funds, to meet its liabilities as they fall due for that period.

Notes to the financial statements for the year ended 31 March 2019 continued

1. Principal accounting policies (continued)

Going concern (continued)

Those forecasts are dependent on the Company's ultimate parent company, Sanctuary Housing Association, not seeking repayment of the amounts currently due to the Group, which at 31 March 2019 amounted to £1,662,000. Sanctuary Housing Association has indicated that it does not intend to seek repayment of these amounts for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the Directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Critical accounting estimates, judgements and assumptions

Where indicators of impairment exist then an asset's recoverable amount must be estimated to determine if an impairment adjustment is required. The Directors have determined, based on local market data, that property market value exceeds net book value and so no detailed impairment testing has been performed.

Turnover

Turnover represents rental income received from housing accommodation. Turnover is measured at the fair value of the consideration received or receivable, net of discounts, VAT and other sales related taxes. Where charges are billed in advance these are recorded as deferred income.

Value Added Tax (VAT)

The majority of the Company's turnover is exempt from VAT; however certain activities are subject to VAT and give rise to a small amount of VAT recovery. Where appropriate costs are stated including irrecoverable VAT.

Corporation tax

Tax on the profit or loss for the year comprises current tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Provisions

A provision is recognised when the Company has a measurable present legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation.

Notes to the financial statements for the year ended 31 March 2019 continued

1. Principal accounting policies (continued)

Expected credit losses on trade receivables

Loss allowances for trade receivables are measured at an amount equal to lifetime Expected Credit Losses (ECLs). Lifetime ECLs are a probability-weighted estimate of credit losses that result from all possible default events over the expected life of the receivable.

When estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

Investment property

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. The Company classifies all of its property as investment property. The Company has chosen to apply the cost model to all of its investment properties; they are therefore stated at historical cost less accumulated depreciation.

Historical cost includes expenditure that is directly attributable to the acquisition of the items. The cost of such properties includes the following:

- a) Cost of acquiring land and buildings
- b) Construction costs including internal equipment and fitting
- c) Directly attributable development administration costs
- d) Cost of capital employed during the development period
- e) Expenditure incurred in respect of improvements and extensions to existing properties
- f) Construction costs incurred but not yet certified at the Balance Sheet date.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Expenditure on housing properties which is capable of generating increased future rents, extends their useful life, or significantly reduces future maintenance costs, is capitalised.

All other repairs and maintenance are charged to the Profit and Loss Account during the financial year in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Structure	40 - 125 years
Door and door entry systems	10 - 40 years
Bathrooms	15 - 40 years
External works	20 - 25 years
Heating system	15 - 40 years
Kitchens	30 years
Lifts	10 years
Renewables	25 years
Roof covering	50 years
Windows	40 years
Electrical wiring	30 years

The acquisition and disposal of properties is accounted for on the date when completion takes place.

Sanctuary (NW Management) Limited

Notes to the financial statements for the year ended 31 March 2019 continued

Impairment testing – property

When an impairment indicator is identified, an impairment review is performed at an individual property level and compared against its recoverable amount, which is defined as the higher of:

- the fair value less selling costs of the property, or
- its value in use (VIU).

Should the net book value of the property exceed the higher of these measures, it is impaired to this value, with the movement going through the Statement of Comprehensive Income.

Fair value is deemed to be the market value of the property based on its existing use.

VIU is calculated using an assessment of future discounted cash flows over a period of up to 30 years.

Preference shares

The Company has preference shareholders who receive dividends prior to ordinary shareholders. The shares are classified as a source of debt and any dividends payable as part of interest payable, in accordance with IAS 32 Financial Instruments: Presentation.

2. Turnover

	2019	2018
	£'000	£'000
Rental income	67	67
	<u>67</u>	<u>67</u>

All turnover is UK based.

3. Operating profit

Operating profit is arrived at after charging :

	2019	2018
	£'000	£'000
Depreciation – investment property (note 7)	16	17
Auditor remuneration	<u>1</u>	<u>1</u>

No non-audit services were provided in the year (2018: none).

4. Interest receivable

	2019	2018
	£'000	£'000
Bank interest receivable	<u>2</u>	<u>-</u>

Sanctuary (NW Management) Limited

Notes to the financial statements for the year ended 31 March 2019 continued

5. Directors' emoluments

In the current and prior year all Directors were employed by the ultimate parent undertaking, Sanctuary Housing Association, and their costs were not recharged as they were incidental to their services provided to other Sanctuary Group companies. Expenses borne by the ultimate parent undertaking are negligible. The Company has no employees (2018: none).

6. Taxation for the year

(a) Analysis of tax charge for the year

	2019	2018
	£'000	£'000
Current tax:		
UK corporation tax on profit for the year	-	4
	<u>-</u>	<u>4</u>

The tax charge for the year is higher than (2018: higher than) that calculated at the main rate of corporation tax in the UK. The differences are explained below:

(b) Factors affecting the tax charge for the year

	2019	2018
	£'000	£'000
(Loss)/profit before taxation	<u>(76)</u>	<u>5</u>
(Loss)/ profit multiplied by main company rate of corporation tax in the UK of 19% (2018: 19%)	(14)	1
Effects of:		
Non deductible expenses	3	3
Current year losses for which no deferred tax asset is recognised	11	-
Current tax charge for the year	<u>-</u>	<u>4</u>

(c) Factors affecting future tax charge

A reduction in the UK corporation tax rate from 19% to 17% (effective from 1 April 2020) was substantively enacted on 15 September 2016. This will reduce the Company's future current tax charge accordingly.

Notes to the financial statements for the year ended 31 March 2019 continued

7. Investment Property

	Investment Property £'000
Cost	
At 1 April 2018 and at 31 March 2019	<u>1,245</u>
Depreciation	
At 1 April 2018	272
Charge for the year	<u>16</u>
At 31 March 2019	<u>288</u>
Net book value	
At 31 March 2019	<u>957</u>
At 31 March 2018	<u>973</u>

Fair value of investment property

The estimated fair value of the investment property is £1,305,000 (2018: £1,130,000). This fair value has been determined by the use of indicative values provided by a third party. In the prior year it was determined by net present value calculations based on current rent levels and expected increases in rent. A formal valuation has not been performed by an independent valuer. In accordance with fair value measurement hierarchy these are deemed to be Level 3 valuations.

Impairment

The Company annually reviews investment properties for indicators of potential impairment. Properties that reveal indicators are then subjected to further review. For the year ended 31 March 2019 no properties were identified as having indicators of potential impairment (2018: none).

Restrictions

At 31 March 2019, there were no restrictions on the realisability of investment property or the remittance of income and proceeds of disposal for the Company (2018: none).

Assets pledged as security

No assets have been pledged to secure borrowings (2018: none).

Freehold and leasehold

All investment property is long leasehold.

Sanctuary (NW Management) Limited

Notes to the financial statements for the year ended 31 March 2019 continued

7. Investment Property (continued)

Items recognised in the Profit and Loss Account

Rental income from investment property during the year amounted to £67,000 (2018: £67,000).

Direct operating expenses (including repairs and maintenance) arising from investment property that generated rental income during the year amounted to £32,000 (2018: £32,000).

Direct operating expenses (including repairs and maintenance) arising from investment property that did not generate rental income during the year amounted to £nil (2018: £nil).

8. Debtors

	2019	2018
	£'000	£'000
Trade debtors	2	2
	<u>2</u>	<u>2</u>

An impairment loss allowance is held against trade debtors totalling £6,000 (2018: £7,000).

9. Creditors: amounts falling due within one year

	2019	2018
	£'000	£'000
Trade creditors	2	2
Amounts owed to Group undertakings	1,662	1,618
Preference shares ("B" shares) classified as financial liabilities	50	50
Other creditors	6	2
Corporation tax	-	4
	<u>1,720</u>	<u>1,676</u>

Amounts owed to Group undertakings are trading in nature and do not incur interest. No security is provided against any of the above liabilities.

The "B" £1 ordinary shares do not have any voting rights unless the Company is in arrears with the "B" dividend.

The "B" shareholders are entitled to a dividend of 8% on the nominal value of the "B" share capital. On winding up the "B" shareholders have priority before "A" shareholders.

"B" shareholders can require the shares to be redeemed after 1 April 2018. The Company is under an obligation to redeem by 1 April 2028.

Sanctuary (NW Management) Limited

Notes to the financial statements for the year ended 31 March 2019 continued

10. Provisions

	2019	2018
	£'000	£'000
Provisions	85	-
	<u>85</u>	<u>-</u>

Provisions at 31 March 2019 are in relation to the cost of terminating a joint venture agreement and are expected to be settled within a period of 12 months.

11. Operating leases receivable

The Company rents out its investment properties. At the balance sheet date, the following future minimum lease payments were contractually receivable from tenants:

	2019	2018
	£'000	£'000
Land and buildings:		
Under one year	2	12
	<u>2</u>	<u>12</u>

12. Called up share capital

	2019	2018
	£	£
Authorised		
1 "A" ordinary shares of £1 each	<u>1</u>	<u>1</u>
Allotted and fully paid		
1 "A" ordinary shares of £1 each	<u>1</u>	<u>1</u>

13. Ultimate controlling party

The ultimate parent undertaking and controlling party is Sanctuary Housing Association being the largest group to consolidate these financial statements, registered in England as a Registered Society (Number 19059R) and with the Homes and Communities Agency (Number L0247).

14. Joint venture agreement

The Company has a joint venture agreement, dating from 2007, with White Property Services Limited, regarding development of the Company's property at Cathedral Point, Liverpool. There are currently on going discussions over terminating the arrangement; and a provision of £85,000 (note 10) in relation to this has been recognised in the Profit and Loss Account in the current year.

15. Post balance sheet events

There are no post balance sheet events to report.