Registered number: 12367993

LANDS IMPROVEMENT GROUP LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

LANDS IMPROVEMENT GROUP LIMITED

CONTENTS

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2023

Introduction

The directors present their Strategic Report for Lands Improvement Group Limited (the "company") and its subsidiaries (together, the "group") for the year ended 31 March 2023. The directors, in preparing this report, have complied with s414C of the Companies Act 2006.

Principal activities and business review

The principal activity of the company is that of a holding company. The group is principally engaged in investing in strategic land with the aim of obtaining viable planning consents, building out site infrastructure and the selling of serviced residential and commercial development land. The group also seeks to and promote and/or develop some of its plots of land via joint operations with third party entities.

During the year to 31 March 2023, the group continued its strategy of pursuing planning consents across a number of its key sites, acquiring plots of land, building site infrastructure and selling down serviced land parcels.

In June 2022 the group incorporated a new subsidiary, LIH Little Barford Limited, which was used to purchase a site in Little Barford, Bedfordshire.

The group reported turnover in the year of £35,686,000 (2022: £63,634,000).

For the year ended 31 March 2023, the group reported an operating profit of £3,267,000 (2022: £30,028,000). The group's investment properties were valued at £610,000 (2022: £800,000) and the group holds stock with a carrying value of £166,102,000 (2022: £135,568,000) as at 31 March 2023.

Net finance charges for the year were £1,678,000 (2022: £1,088,000), which is net of a fair value profit on interest rate swaps of £3,456,000 (2022: £3,546,000).

Total comprehensive income for the year was £1,094,000 (2022: £23,076,000) and at 31 March 2023, the group's total equity was £52,505,000 (2022: £51,411,000).

Going concern

As at 31 March 2023 the group has net assets of £52,505,000 and net current assets of £153,843,000.

Management reviews the loan covenants on the group's bank debt on a quarterly basis. The directors consider that the financing has sufficient headroom on its loan covenants that they will not be breached in the 12 months from the date of signing the financial statements. The loan facility is supported by guarantors and obligors, being various entities within the group, that jointly and severally guarantee the obligations of the group under the financing.

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

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 well placed to manage these risks. This may provide competitive advantages to the group in the future.

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

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

Financial risk management objectives and policies

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

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

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

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

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

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

Interest rate risk
The group operates an interest rate policy designed to optimise interest rate cost and reduce volatility in reported earnings. Where the group holds floating rate debt the primary risk is that the group's cash flows will be subject to variation depending upon changes to base interest rates. The group's policy is to fix the interest rate for long term debt using interest rate swaps.

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Key performance indicators

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

- To ensure high levels of customer satisfaction.

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

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

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

It is management's aim to achieve sustainable returns to shareholders by providing a return on their investment through profitable and cash generative activities while continuing to maintain a healthy working capital position. Management will review this position on a periodic basis.

The group continues to maintain 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.

This report was approved by the board on 9 February 2024 and signed by order of the board.

Aaron Burns
Company Secretary

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2023

The directors present their annual report and the audited consolidated financial statements for the year ended 31 March 2023.

Dividends

The group did not pay any dividends during the year (2022: £15,000,000).

Directors

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

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

Charitable donations

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

Qualifying third party indemnity provisions

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

Matters covered in the strategic report

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

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Statement of directors' responsibilities in respect of the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group and company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the profit or loss of the group and company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent;
- assess the group's and company's ability to continue as a going concern, disclosing, as applicable matters related to going concern; 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 responsible for keeping adequate accounting records that are sufficient to show and explain the group's 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. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and the company and to prevent and detect fraud and other irregularities.

Directors' confirmations

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

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

This report was approved by the board on 9 February 2024 and signed by order of the board.

Aaron Burns
Company Secretary

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LANDS IMPROVEMENT GROUP LIMITED

Opinion

We have audited the financial statements of Lands Improvement Group Limited ("the Company") for the year ended 31 March 2023 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Statement of Cash Flows 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 Group's and of the parent Company's affairs as at 31 March 2023 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 Group 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.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Company or to cease their operations, and as they have concluded that the Group and 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 their 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").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Group's business model and analysed how those risks might affect the Group and Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group or the Company's ability to continue as a going concern for the going concern period.

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 above conclusions are not a guarantee that the Group or the Company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of the directors of whether they are aware of fraud and of the Company's high-level policies and procedures to prevent and detect fraud;
- Reading board meeting minutes;
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

On this audit we do not believe there is a fraud risk related to revenue recognition because the recognition of income from disposals of land held for sale is non-judgmental, non-complex and can be easily verified from agreements.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by senior finance management and journal entries made to unexpected accounts.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors (as required by auditing standards) and discussed with the directors the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of noncompliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies' legislation), distributable profits and taxation legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: property laws and building legislation. recognising the nature of the company's activities.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws or regulation.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon. Our responsibility is to read the strategic report and 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:

- we have not identified material misstatements in the strategic report and the directors' report;

- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and

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

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 5, 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 Group and parent 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 Group or the parent 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.

Richard Kelly (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
15 Canada Square Canary Wharf
London
E14 5GL

9 February 2024

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 £000	2022 £000
Turnover	3	35,686	63,634
Operating costs		(32,379)	(33,615)
(Loss)/profit on disposal of investment properties	4	(40)	9
Operating profit	5	3,267	30,028
Interest receivable and similar income	9	3,977	3,794
Interest payable and similar expenses	10	(5,655)	(4,882)
Profit before taxation		1,589	28,940
Tax on profit	11	(495)	(5,864)
Profit and total comprehensive income for the financial year		1,094	23,076

All amounts relate to continuing operations.

The notes on pages 15 to 36 form part of these financial statements.

LANDS IMPROVEMENT GROUP LIMITED
REGISTERED NUMBER: 12367993

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2023

	Note		2023 £000		2022 £000
Fixed assets					
Investment property	13		610		800
			610		800
Current assets					
Stocks	14	166,102		135,568	
Debtors: amounts falling due after more than one year	15	6,337		-	
Debtors: amounts falling due within one year	15	114,844		101,138	
Cash at bank and in hand	16	576		40,620	
		287,859		277,326	
Current liabilities					
Creditors: amounts falling due within one year	17	(134,016)		(134,146)	
Net current assets			153,843		143,180
Total assets less current liabilities			154,453		143,980
Creditors: amounts falling due after more than one year	18		(98,507)		(89,649)
Deferred taxation	21		(3,441)		(2,920)
Net assets			52,505		51,411
Capital and reserves					
Called up share capital	22		1,200		1,200
Merger reserve			(14,229)		(16,171)
Retained earnings			65,534		66,382
Total equity			52,505		51,411

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 9 February 2024.

Michael Hackenbroch
Director

Russell Gurnhill
Director

The notes on pages 15 to 36 form part of these financial statements.

COMPANY BALANCE SHEET
AS AT 31 MARCH 2023

	Note		2023 £000		2022 £000
Fixed assets					
Investments	12		22,040		11,492
			22,040		11,492
Current assets					
Debtors: amounts falling due within one year	15	79,532		75,738	
		79,532		75,738	
Current liabilities					
Creditors: amounts falling due within one year	17	(1,351)		(392)	
Net current assets			78,181		75,346
Net assets			100,221		86,838
Capital and reserves					
Called up share capital	22		1,200		1,200
Retained earnings			99,021		85,638
Total equity			100,221		86,838

The company recorded a profit of £13,383,000 (2022: £15,256,000) for the year ended 31 March 2023.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 9 February 2024.

Michael Hackenbroch
Director

Russell Gurnhill
Director

The notes on pages 15 to 36 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

	Called up share capital £000	Merger reserve £000	Retained earnings £000	Total equity £000
At 1 April 2021	1,200	(26,858)	68,993	43,335
Comprehensive income for the year				
Profit for the financial year	-	-	23,076	23,076
Total comprehensive income for the year	-	-	23,076	23,076
Dividends (note 23)	-	-	(15,000)	(15,000)
Transfer between reserves (see below)	-	10,687	(10,687)	-
At 31 March and 1 April 2022	1,200	(16,171)	66,382	51,411
Comprehensive income for the year				
Profit for the financial year	-	-	1,094	1,094
Total comprehensive income for the year	-	-	1,094	1,094
Transfer between reserves (see below)	-	1,942	(1,942)	-
At 31 March 2023	1,200	(14,229)	65,534	52,505

The merger reserve arose in relation to stock, on acquisition of BR Empire S.à r.l. and its subsidiaries in December 2019. The merger reserve initially totalled £26,858,000 and that balance principally related to differences between the book value and fair value of certain stock properties. During the year to 31 March 2023 stock properties relating to £1,942,000 (2022: £10,687,000) of that balance were sold and so the relating merger reserve has now been transferred to retained earnings.

The notes on pages 15 to 36 form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2023

	Called up share capital	Retained earnings	Total equity
	£000	£000	£000
At 1 April 2021	1,200	85,382	86,582
Comprehensive income for the year			
Profit for the financial year	-	15,256	15,256
Total comprehensive income for the year	-	15,256	15,256
Dividends (note 23)	-	(15,000)	(15,000)
At 31 March and 1 April 2022	1,200	85,638	86,838
Comprehensive income for the year			
Profit for the financial year	-	13,383	13,383
Total comprehensive income for the year	-	13,383	13,383
At 31 March 2023	1,200	99,021	100,221

The notes on pages 15 to 36 form part of these financial statements.

LANDS IMPROVEMENT GROUP LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023

	2023 £000	2022 £000
Cash flows from operating activities		
Profit for the financial year	1,094	23,076
Adjustments for:		
Loss/(profit) on disposal of investment properties	40	(9)
Interest payable and similar expenses	5,655	4,882
Interest receivable and similar income	(3,977)	(3,794)
Taxation charge	495	5,864
(Increase)/decrease in stocks	(30,534)	13,048
Increase in debtors	(7,273)	(4,999)
(Decrease)/increase in creditors	(1,684)	9,169
(Decrease)/increase in amounts owed to group undertakings	(4,905)	8,690
Corporation tax paid	(1,851)	(2)
Net cash (used in)/generated from operating activities	(42,940)	55,925
Cash flows from investing activities		
Sale of investment properties	150	850
Interest received	341	249
Net cash generated from investing activities	491	1,099
Cash flows from financing activities		
New secured loans	9,762	-
Dividends paid	-	(15,000)
Interest paid	(7,357)	(3,073)
Net cash generated from/(used in) financing activities	2,405	(18,073)
Net (decrease)/increase in cash and cash equivalents	(40,044)	38,951
Cash and cash equivalents at beginning of year	40,620	1,669
Cash and cash equivalents at the end of year	576	40,620
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	576	40,620

The notes on pages 15 to 36 form part of these financial statements.

1. Accounting policies

General information

The principal activities of Lands Improvement Group Limited ("the company") and its subsidiaries (together "the group") are described in the Group Strategic Report on page 1 of the financial statements. The company is a private company, limited by shares, incorporated, registered and domiciled in England and Wales. The company's registered office and principal place of business is Level 16, 5 Aldermanbury Square, EC2V 7HR (previously 15th Floor, 140 London Wall, London, EC2Y 5DN).

Basis of preparation of financial statements

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

These consolidated and separate financial statements are prepared on a going concern basis under the historical cost convention, as modified by the revaluation of certain assets and liabilities measured at fair value through profit and loss and have been prepared in Sterling (rounded to the nearest thousand pounds), which is the presentational and functional currency of the group.

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

As at 31 March 2023 the group has net assets of £52,505,000 and net current assets of £153,843,000.
Management reviews the loan covenants on the group's bank debt on a quarterly basis. The directors consider that the financing has sufficient headroom on its loan covenants that they will not be breached in the 12 months from the date of signing the financial statements. The loan facility is supported by guarantors and obligors, being various entities within the group, that jointly and severally guarantee the obligations of the group under the financing.

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

1. Accounting policies (continued)

Financial reporting standard - reduced disclosure exemptions

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

(i) preparation of a statement of cash flows on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in these financial statements, includes the company's cash flows;

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

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

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

Basis of consolidation

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

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

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

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

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

1. *Accounting policies (continued)*

Turnover

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

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

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

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

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

Day one contributions made by Taylor Wimpey to the High Leigh joint operation are initially included in deferred income and recognised in the Statement of Comprehensive Income as and when units are completed and sold externally with unconditional exchange of contracts.

Other income
Other income is recognised in the 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. Other income includes housebuilder guarantee fee income.

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

Operating costs

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

Operating leases

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

1. Accounting policies (continued)

Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument. Costs arising from the amendment to an existing facility are expensed as incurred.

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 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 tax is determined using tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date.

Investment property

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

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

1. Accounting policies (continued)

Investments in subsidiaries

Investments in subsidiaries are measured at cost less accumulated impairment.

The carrying amounts of each identified cash-generating unit are reviewed at each reporting date to determine whether there is any indication of impairment. A cash-generating unit is the smallest identifiable group of assets that generates cash flows that are largely independent of the cash flows from other assets or groups of assets. If any such impairment indication exists, the cash-generating unit's recoverable amount is estimated. An impairment loss is recognised in the Statement of Comprehensive Income whenever the carrying amount of the cash-generating unit exceeds its recoverable amount. The recoverable amount of a cash-generating unit is the greater of its net selling price and its value in use.

Stocks

Stocks represent land held for sale and are included in the 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. On disposal, the carrying amount of the stock sold is released from the balance sheet and recognised in the Statement of Comprehensive Income within operating costs.

At each Balance Sheet date, stocks are reviewed for impairment. If an impairment is required, the carrying amount is reduced to its selling price less costs to sell. The impairment loss is recognised immediately in the Statement of Comprehensive Income. If there is a decrease in the impairment loss arising from an event occurring after it was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed the amount at which the asset would have been stated had the impairment not previously been recognised. The impairment reversal is recognised in the Statement of Comprehensive Income.

1. *Accounting policies (continued)*

Joint operations

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

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 are recognised in the Statement of Comprehensive Income as and when units are completed and sold externally with unconditional exchange of contracts. The contracts provide for joint control of the development. All development costs and income arising from the development are also shared equally between the two parties. As such, the contracts are treated as joint operations and the company recognises separately its share of the operation's assets, liabilities, income and costs within the financial statements.

Cash and cash equivalents

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

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

Financial instruments

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

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

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

1. *Accounting policies (continued)*

Financial instruments (continued)

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

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

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

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

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

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

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

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

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

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

1. *Accounting policies (continued)*

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 group pays fixed contributions into a separate entity. Once the contributions have been paid the group has no further payments obligations.

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

Dividends

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

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

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

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

Valuation of investments
The company reviews the carrying value of its investments in subsidiaries at each balance sheet date, with reference to the fair value, less cost to sell, of its subsidiaries. The fair value of each cash-generating unit is based on the net assets of that cash-generating unit, as at the date of the latest financial statements, adjusted for items not held at fair value. The principal assets, which underpin the fair valuation of the cash-generating unit, are investment properties and properties held for sale, which are valued annually by professional qualified valuers. The basis of the valuation of the cash-generating unit's investment properties and properties held for sale is set out in the notes to the financial statements of the subsidiaries within the cash-generating unit for the year ended 31 March 2023.

Valuations of stock properties
Properties are valued by a qualified chartered surveyor. Valuations are made as at the reporting date and follow the principles of International Valuation Standards. Valuations are made using various assumptions and estimations which include, but are not limited to; transaction prices of similar assets and the likelihood of planning consent being granted for development. In the year to 31 March 2023, no impairment was recognised on the carrying values of stock (2022: £nil).

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

Trade and other debtors
The group reviews trade and other debtors and makes judgements on the recoverability of these debtors with reference to the age of outstanding amounts, credit status of the counterparty and the status of any outstanding dispute. No debtors were impaired at the year end (2022: none).

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

3. Turnover

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

	2023 £000	2022 £000
Income on disposal of stock	21,480	52,613
Income receivable under jointly controlled operations	7,349	7,377
Release of deferred contractual income received from Taylor Wimpey on commencement of the joint operation	4,261	1,775
Management fee income	1,455	995
Other income	952	812
Third party rents	189	62
	35,686	63,634

All turnover arose within the United Kingdom.

4. (Loss)/profit on disposal of investment properties

	2023 £000	2022 £000
(Loss)/profit on disposal of investment properties	(40)	9

5. Operating profit

Operating profit is stated after charging:

	2023 £000	2022 £000
Operating lease rentals	98	100
Cost of properties disposed	15,459	22,021
Cost recognised on income receivable from jointly controlled operations	8,506	3,421

6. Auditors' remuneration

	2023 £000	2022 £000
Fees payable to the group's auditors and their associates for the audit of the group's annual financial statements		
Company	54	56
Subsidiaries	47	41
	101	97

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

7. Staff costs

Staff costs were as follows:

	2023 £000	2022 £000
Wages and salaries	2,515	2,429
Social security costs	338	284
Other pension costs	203	176
	3,056	2,889

The average monthly number of employees, including directors, during the year was 20 (2022: 19).

All employees were employed in the United Kingdom.

8. Directors' remuneration

	2023 £000	2022 £000
Aggregate emoluments excluding long term incentive scheme and pensions	401	356
Aggregate amounts receivable under long term incentive schemes	1,898	1,643
Payments to defined contribution pension schemes	7	6
	2,306	2,005

Two (2022: two) directors are members of a defined contribution scheme and no directors are accruing retirement benefits under a defined benefit scheme (2022: none).

The highest paid director received remuneration of £793,000 (2022: £624,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £nil (2022: £nil).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

9. Interest receivable and similar income

	2023 £000	2022 £000
Interest receivable from group companies	103	161
Change in fair value of interest rate swaps	3,456	3,546
Other interest receivable	418	87
	3,977	3,794

10. Interest payable and similar expenses

	2023 £000	2022 £000
Bank interest payable	3,463	3,414
Amortisation of finance costs	180	160
Interest on loans from group companies	1,999	1,308
Other interest payable and finance charges	13	-
	5,655	4,882

11. Tax on profit

	2023 £000	2022 £000
Corporation tax		
Current tax on profit for the year	101	11,330
Adjustments in respect of previous periods	(127)	-
Total current tax (credit)/charge	(26)	11,330
Deferred tax		
Origination and reversal of timing differences	521	(8,117)
Adjustments in respect of previous periods	-	3
Effect of rate change on brought forward timing differences	-	2,648
Total deferred tax charge/(credit) for the year	521	(5,466)
Total tax charge for the year	495	5,864

11. Tax on profit (continued)

Factors affecting tax charge for the year

The tax charge for the year can be reconciled to the profit per the Statement of Comprehensive Income as follows:

	2023 £000	2022 £000
Profit before tax	1,589	28,940
Profit before tax multiplied by standard rate of corporation tax in the UK of 19% (2022 - 19%)	302	5,499
Effects of:		
Expenses not deductible for tax purposes	188	184
Non taxable income	-	(581)
(Profit)/loss on sale of fixed assets	7	-
Capital (losses)/gains	(10)	60
Capital losses offset against group capital gains	10	-
Effect of rate change on brought forward timing differences	-	2,648
Adjustments to tax charge in respect of prior periods	(127)	3
Effect of rate change on timing differences arising in the year	125	(1,949)
Total tax charge for the year	495	5,864

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%. This change was included in Finance Act 2021 which was substantively enacted on 24 May 2021, and granted Royal Assent on 10 June 2021.

12. Investments

Company

	Investments in subsidiary companies £000
Cost or valuation	
At 1 April 2022	120,000
At 31 March 2023	120,000
Impairment	
At 1 April 2022	108,508
Reversal of impairment losses	(10,548)
At 31 March 2023	97,960
Net book value	
At 31 March 2023	22,040
At 31 March 2022	11,492

A full list of the company's subsidiaries is included in note 28.

In the opinion of the directors the value of the investment in subsidiary undertakings is not less than the aggregate amount at which they are shown in the company's balance sheet.

13. Investment property

Group

	Freehold investment property £000
Valuation	
At 1 April 2022	800
Disposals	(190)
At 31 March 2023	610

As at 31 March 2023, 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. No valuation surplus or deficit was recognised following the revaluation of the properties.

14. Stocks

	2023 £000	2022 £000
Group		
At the beginning of the year	135,568	145,936
Additions	45,993	8,973
Disposals	(15,459)	(22,021)
Reclassification from investment property	-	2,680
At the end of the year	166,102	135,568

Stocks represents land held for sale and development costs incurred on the land, which includes the cost of development of completed housing units held at the year end. All stocks are carried at the lower of cost and net realisable value.

In August 2022 the group purchased a new site in Little Barford, Bedfordshire.

15. Debtors

	Group 2023 £000	Group 2022 £000	Company 2023 £000	Company 2022 £000
Amounts falling due after more than one year				
Trade debtors	2,296	-	-	-
Fair value of interest rate swaps	4,041	-	-	-
	6,337	-	-	-

	Group 2023 £000	Group 2022 £000	Company 2023 £000	Company 2022 £000
Amounts falling due within one year				
Trade debtors	12,916	12,737	-	84
Amounts owed by group undertakings	86,026	77,297	78,978	75,453
Other debtors	15,336	10,853	-	-
Prepayments and accrued income	566	251	554	201
	114,844	101,138	79,532	75,738

Group

Amounts owed by group undertakings are unsecured and receivable on demand. Interest was paid on these balances at between 0% and the base lending rate of Barclays Bank PLC plus 3% per annum (2022: £75,000,000 of the balance was interest free and the remainder had an interest rate of the base lending rate of Barclays Bank PLC plus 3% per annum).

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

Company

Amounts owed by group undertakings are unsecured, receivable on demand and have an interest rate of the base lending rate of Barclays Bank PLC plus 3% per annum (2022: £75,000,000 of the balance was interest free and the remainder had an interest rate of the base lending rate of Barclays Bank PLC plus 3% per annum).

16. Cash at bank and in hand

	Group 2023 £000	Group 2022 £000
Group		
Cash at bank and in hand	576	40,620

In the prior year cash at bank and in hand included £6,336,000 held in a restricted account. There are no such amounts held in the current year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

17. Creditors: amounts falling due within one year

	Group 2023 £000	Group 2022 £000	Company 2023 £000	Company 2022 £000
Trade creditors	1,562	900	686	181
Amounts owed to group undertakings	77,949	77,597	-	-
Corporation tax payable	10,127	12,110	665	61
Other creditors	34,535	23,704	-	-
Other taxation and social security	169	5,199	-	14
Accruals and deferred income	9,674	14,636	-	136
	134,016	134,146	1,351	392

Amounts owed to group undertakings are unsecured and payable on demand. Interest was paid on these balances at between 0% and the base lending rate of Barclays Bank PLC plus 3% (2022: between 0% and the base lending rate of Barclays Bank PLC plus 3% per annum).

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

Accruals and deferred income includes £4,631,000 (2022: £5,645,000) in respect of contributions from Taylor Wimpey in relation to the joint operation.

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

	Group 2023 £000	Group 2022 £000	Company 2023 £000	Company 2022 £000
Trade creditors	360	-	-	-
Bank loans (note 19)	64,096	54,411	-	-
Amounts owed to group undertakings	17,300	15,000	-	-
Fair value of interest rate swaps	-	240	-	-
Accruals and deferred income	16,751	19,998	-	-
	98,507	89,649	-	-

Amounts owed to group undertakings include a loan of £15,000,000 (2022: £15,000,000) which is unsecured, has an interest rate of 12.52% per annum and is repayable in March 2026; and a loan of £2,300,000 (2022: £nil) which is unsecured, has an interest rate of 14.02% per annum and is repayable in November 2027.

Accruals and deferred income are in respect of contributions from Taylor Wimpey in relation to the joint operation.

19. *Loans and borrowings*

	2023 £000	2022 £000
Bank loans	64,772	55,010
Less: unamortised issue costs	(676)	(599)
	64,096	54,411
Maturity of financial liabilities		
Between one and five years	64,772	55,010
	64,772	55,010

The company holds a £55,010,000 (2022: £55,010,000) bank loan which matures in 2026 with a single principal repayment and which has an annual interest rate of 3.25% plus SONIA plus a credit adjustment spread of 0.1193%. The loan is secured against the land held by various subsidiary undertakings within the group, which also act as guarantors and obligors of the loan in that they jointly and severally guarantee the obligations of the group under the financing.

During the year the group entered into a second bank loan, the full amount of which is repayable in one instalment in November 2027, subject to unscheduled repayments following asset sales. The bank loan is a joint facility with Tele-Lands Improvement Limited, a fellow group undertaking, and of the £21,441,000 drawn at the outset of the facility, £9,762,000 has been loaned to the group, with the remainder loaned to Tele-Lands Improvement Limited. The loan has an annual interest rate of 3.10% plus SONIA and is secured against property assets owned by both the group and Tele-Lands Improvement Limited.

The group uses interest rate swaps to fix the interest payable in respect of its bank loans. As at 31 March 2023 the aggregate notional principal of the outstanding swap contracts was £64,814,000 (2022: £55,010,000). The swap contracts mature between January 2026 and November 2027.

20. Financial instruments

	2023 £000	2022 £000
Financial assets		
Financial assets measured at fair value through profit or loss:		
Fair value of interest rate swaps	4,041	-
Financial assets measured at amortised cost:		
Trade debtors due after more than one year	2,296	-
Trade debtors due within one year	12,916	12,737
Amounts owed by group undertakings	86,026	77,297
Other debtors	15,336	10,853
Accrued income	559	228
Cash at bank and in hand	576	40,620
Financial assets at amortised cost	117,709	141,735
Financial liabilities		
Financial liabilities measured at fair value through profit or loss:		
Fair value of interest rate swaps	-	240
Financial liabilities measured at amortised cost:		
Trade creditors due after more than one year	360	-
Trade creditors due within one year	1,562	900
Bank loans	64,096	54,411
Amounts owed to group undertakings falling due after more than one year	17,300	15,000
Amounts owed to group undertakings falling due within one year	77,949	77,597
Other creditors	34,535	23,704
Accruals	4,741	8,991
Financial liabilities at amortised cost	200,543	180,603

Financial instruments - Interest rate swaps

The group uses interest rate swaps to fix the interest payable in respect of its bank loans (see note 19).

21. Deferred taxation

Group

	2023 £000	2022 £000
At 1 April	2,920	8,386
Deferred tax (charge)/credit in profit or loss account	521	(8,114)
Effect of rate change on brought forward timing differences	-	2,648
At 31 March	3,441	2,920

The deferred tax liability is made up as follows:

	Group 2023 £000	Group 2022 £000
Tax losses carried forward	(318)	(318)
Other timing differences	(405)	(405)
Uncrystallised fair value adjustment	4,164	3,643
	3,441	2,920

22. Called up share capital

	2023 £000	2022 £000
Allotted, called up and fully paid		
120,000,000 (2022: 120,000,000) Ordinary shares of £0.01 each	1,200	1,200

23. Dividends

	2023 £000	2022 £000
£nil (2022: 12.5 pence) per share	-	15,000

24. Commitments under operating leases

At 31 March 2023, the group had future minimum lease payments due under non-cancellable operating leases for each of the following year as follows:

	Group 2023 £000	Group 2022 £000
Not later than 1 year	-	100

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

25. Related party transactions

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

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

	2023 £000	2022 £000
Amounts owed to related parties at year end	29	39

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

26. Contingent liability

In August 2022 the group purchased a new site in Little Barford, Bedfordshire. Under the terms of the agreement to purchase the land, the company is required to pay up to a further £5,000,000 to the seller, which is contingent on planning permission being granted for homes to be built on the land. In addition, the company is also required to pay 35% of the profit made on any future sales of homes built on the land, or the land itself.

27. Controlling party

Lands Improvement Group Limited is a subsidiary of TTRE Holdings Limited which is incorporated in England and Wales.

The parent company of the largest group for which consolidated financial statements are prepared that include the company is TTRE Group Limited, which is incorporated in Jersey.

The ultimate parent undertaking and controlling party is Castle Group International Limited (incorporated in the British Virgin Islands), which is controlled by three funds settled under the Bernard Pears 1967 Family Trust.

The annual report and financial statements of TTRE Holdings Limited may be obtained from the Company Secretary, Level 16, 5 Aldermanbury Square, EC2V 7HR (previously 15th Floor, 140 London Wall, London EC2Y 5DN), which is also the registered office and principal place of business of Lands Improvements Group Limited.

28. Subsidiaries

The company holds direct and 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 2023 are as follows:

Direct investment
BR Empire S.à r.l. - (Holding company)*

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

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

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

All other entities are registered at Level 16, 5 Aldermanbury Square, EC2V 7HR (previously 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 2023 audited as they have taken an exemption under section 479A of the Companies Act 2006. Those subsidiaries are:

A.L.I.H. (Farms) Limited
Moorfield Management Limited
Empire LIH Limited
Lands Improvement Holdings Limited
Landmatch Limited
Hubert C Leach (High Leigh) Ltd