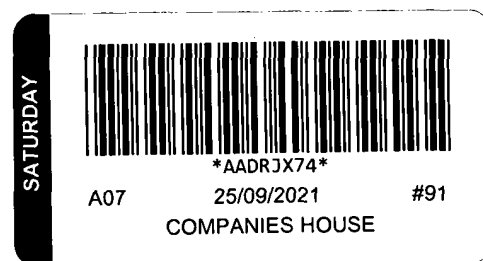


## Annual Report and Financial Statements

# 2021

1 April 2020 to 31 March 2021



## LIVING PLUS ASSETS LIMITED

Company Registration No. 06415229

# **LIVING PLUS ASSETS LIMITED**

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**LIVING PLUS ASSETS LIMITED**  
**OFFICERS AND PROFESSIONAL ADVISERS**

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***Directors***

JDS Harrison  
MH Goldstein

***Secretary***

SGH Company Secretaries  
Limited  
6th Floor  
60 Gracechurch Street  
London  
EC3V 0HR

***Registered Office***

6th Floor  
60 Gracechurch Street  
London  
EC3V 0HR

***Auditors***

BDO LLP  
55 Baker Street  
London  
W1U 7EU

## LIVING PLUS ASSETS LIMITED

### STRATEGIC REPORT

The Directors present the Strategic report and the Directors' report, together with the financial statements and auditors' report of Living Plus Assets Limited (the "Company") for the year ended 31 March 2021.

#### Principal activities

The principal activity of the Company originally was to own residential property acquired through home reversion plans. In 2011, the Company transferred most of its investment properties to Milton Homes Properties Limited (a fellow subsidiary undertaking). The last of the properties held were sold in 2013.

Following the withdrawal from the market in April 2009, and the above transfers and disposals, the Company's business activities are provision of finance to the other group undertakings of Milton Homes Limited.

#### Results for the financial year

The financial statements show results for the year as follows:

	Year ended 31 March 2021 £	Year ended 31 March 2020 £
Profit before tax	1,654,352	1,499,402
Tax charge for the year	-	-
Profit for the year, attributable to equity shareholders	<u>1,654,352</u>	<u>1,499,402</u>

#### Financial risk management objectives and policies

The City of London Group plc Board sets the overall risk appetite and philosophy of the Company. The City of London Group plc Board establishes the parameters for risk appetite through setting strategic direction, contributing to and ultimately approving annual business plans for the Company, and regularly reviewing and monitoring performance in relation to risk through quarterly and ad hoc reports from the monthly Executive Committee meetings.

Risk appetite is defined in both qualitative and quantitative terms and is regularly assessed. It is an expression of the maximum level of residual risk that the Company is prepared to accept in order to deliver its business objectives. The Company's activities expose it to a number of financial risks including credit risk and liquidity risk.

#### Credit risk

Credit risk is the risk that the Company will incur losses as a result of the failure of customers and counterparties to meet their obligations arising from holdings of financial assets.

The Company is not subject to material levels of credit risk as cash is managed on an intercompany group basis.

**LIVING PLUS ASSETS LIMITED**  
**STRATEGIC REPORT (continued)**

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**Financial risk management objectives and policies (continued)**

*Liquidity risk*

Liquidity risk is the risk that the Company is unable to meet its cash obligations as they fall due.

The Company monitors its liquidity risk by maintaining short-term and long-term cash flow forecasts which identify significant future cash flow requirements, primarily from debt repayment schedules, and the Company seeks to maintain a mixture of short-term and long-term facilities that ensure that it has sufficient available funds to satisfy daily requirements.

On behalf of the Board

A handwritten signature in black ink, appearing to be 'JDS Harrison', with a stylized, cursive script.

JDS Harrison  
Director  
16 June 2021

# **LIVING PLUS ASSETS LIMITED**

## **DIRECTORS' REPORT**

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Some information is not shown in the Directors' report because it is shown in the Strategic report instead.

### **Directors**

The Directors who served the company during the year and up to the date of this report were as follows:

MH Goldstein  
JDS Harrison

In terms of section 234 of the Companies Act 2006, the Directors of the Company have been granted Qualifying Third Party Indemnity Provisions by the Company, which remain in force as at the date of approving the Strategic report and the Directors' report.

The Directors do not recommend the payment of a dividend in respect of the current financial year (2020: £nil).

### **Employees**

Details of the number of employees and related costs can be found in note 3 to the financial statements.

### **Disabled persons**

It is the Company's policy to give full consideration to suitable applications for employment of disabled persons. Disabled employees are eligible to participate in all career development opportunities available to staff. Opportunities also exist for employees of the Company who become disabled to continue in their employment or to be retrained for other positions in the Company.

### **Employee involvement**

The Company is committed to involving all employees in the performance and development of the Company. Its approach to employee development offers continual challenges in the job, learning opportunities and personal development.

The Company encourages all its employees to participate fully in the business through open dialogue. Employees receive news of the Company through frequent email notices, internal notices and Board statements. The Company maintains a strong communications network and employees are encouraged, through its open-door policy, to discuss with management matters of interest to the employee and subjects affecting day-to-day operations of the Company.

### **Ethical Standards**

The Directors and the Company are committed to high ethical standards in all their dealings. The group company, Retirement Plus Limited, as an FCA authorised arranger and administrator of home reversion plans is reliant upon its ability to build a long-term relationship of trust and high-quality service with elderly homeowners, and also with all our trusted suppliers.

# **LIVING PLUS ASSETS LIMITED**

## **DIRECTORS' REPORT (continued)**

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### **Statement of Directors' responsibilities**

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. 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 year.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state they have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors confirm that they have complied with these requirements.

### **Business review and future developments**

With the focus on cash conservation, there has been a decision to postpone any new equity release plan financial asset originations and property acquisitions. The Directors believe that this strategy has satisfied the somewhat conflicting objectives of conserving cash whilst maintaining the business presence of the Company.

### **Going concern statement**

Having made appropriate enquiries and reviewing the Company's forecast cashflows over the next 13 months, in particular regarding the ability of the Company to meet its liabilities as and when they fall due, the Directors are satisfied that the Company has adequate resources to continue its operations for the foreseeable future. Cash flows and liquidity are monitored on a Group basis, and the going concern of Living Plus Assets Limited is underpinned by the investment property and equity release plan portfolio held by the Group and the cash flows generated from the disposals of the investment property and equity release plan assets. We have assessed the impact of COVID-19 on Living Plus Assets Limited and consider it to have negligible bearing on the Company's finances given their principal activities and the continued support from the Group. The Directors, therefore, continue to adopt the going concern basis in preparing the financial statements.

**LIVING PLUS ASSETS LIMITED**  
**DIRECTORS' REPORT (continued)**

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**Auditor**

In the case of each of the persons who is a Director at the time when the Strategic report and the Directors' report are approved, the following apply:

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

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

BDO LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

On behalf of the Board



JDS Harrison  
Director  
16 June 2021

Company Registration No. 06415229



## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LIVING PLUS ASSETS LIMITED

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### ***Opinion on the financial statements***

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Living Plus Assets Limited ("the Company") for the year ended 31 March 2021 which comprise the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Financial Position, Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards in conformity 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 under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### ***Independence***

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

### ***Conclusions relating to going concern***

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

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

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

### ***Other information***

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LIVING PLUS ASSETS LIMITED (continued)**

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### ***Other Companies Act 2006 reporting***

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

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

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us 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.

### **Responsibilities of Directors**

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

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

### ***Auditors' responsibilities for the audit of the financial statements***

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

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

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

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LIVING PLUS ASSETS LIMITED (continued)

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We gained an understanding of the legal and regulatory framework applicable to the Company and the industry in which it operates and considered the risk of acts by the Company which would be contrary to applicable laws and regulations, including fraud. These included but were not limited to compliance with the Companies Act 2006 and relevant accounting standards.

We considered compliance with laws and regulations and the risk of fraud that could give rise to a material misstatement in the financial statements. Our tests included, but were not limited to:

- we discussed among the engagement team how and where fraud might occur in the financial statements and any potential indicators of fraud. Furthermore, we communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit;
- agreement of the financial statement disclosures to underlying supporting documentation;
- enquiries of directors and management; and
- in addressing the risk of management override of controls, testing of journal postings made during the year which met a specified criteria.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at:  
<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditors' report.

### Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' 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.

DocuSigned by:



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Orla Reilly (Senior Statutory Auditor)  
For and on behalf of BDO LLP, statutory auditor  
London, UK

16 June 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

**LIVING PLUS ASSETS LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**for the year ended 31 March 2021**

	Notes	Year ended 31 March 2021	Year ended 31 March 2020
		£	£
Administrative expenses		(7,361)	(9,972)
<b>Operating loss</b>	4	<b>(7,361)</b>	<b>(9,972)</b>
Finance income	5	1,661,713	1,509,374
<b>Profit before tax</b>		<b>1,654,352</b>	<b>1,499,402</b>
Tax charge for the year	6	-	-
<b>Total comprehensive income for the financial year, attributable to equity shareholders</b>	12	<b>1,654,352</b>	<b>1,499,402</b>

All activities for the financial year arise from the continuing activities. The Company has no other comprehensive income, other than the profits above, for the year ended 31 March 2021 (2020: £nil).

**LIVING PLUS ASSETS LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
for the year ended 31 March 2021

	Notes	Share capital £	Retained earnings £	Total £
At 1 April 2019		20,165,392	(4,630,390)	15,535,002
Total comprehensive income for the financial year		-	1,499,402	1,499,402
<b>At 31 March 2020</b>		<b>20,165,392</b>	<b>(3,130,988)</b>	<b>17,034,404</b>
At 1 April 2020		20,165,392	(3,130,988)	17,034,404
Total comprehensive income for the financial year	12	-	1,654,352	1,654,352
<b>At 31 March 2021</b>		<b>20,165,392</b>	<b>(1,476,636)</b>	<b>18,688,756</b>

**LIVING PLUS ASSETS LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
as at 31 March 2021

	Notes	31 March 2021 £	31 March 2020 £
<b>ASSETS</b>			
<b>Non-current assets</b>			
Loans receivable	7	17,387,863	15,748,338
		<u>17,387,863</u>	<u>15,748,338</u>
<b>Current assets</b>			
Trade and other receivables	8	1,732,669	1,712,897
Cash and short-term deposits	13	10,262	7,360
		<u>1,742,931</u>	<u>1,720,257</u>
<b>Total Assets</b>		<u><b>19,130,794</b></u>	<u><b>17,468,595</b></u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	9	(442,038)	(434,191)
<b>Total liabilities</b>		<u><b>(442,038)</b></u>	<u><b>(434,191)</b></u>
<b>Total net assets</b>		<u><b>18,688,756</b></u>	<u><b>17,034,404</b></u>
<b>EQUITY</b>			
Share capital	11	20,165,392	20,165,392
Retained earnings	12	(1,476,636)	(3,130,988)
<b>Total equity</b>		<u><b>18,688,756</b></u>	<u><b>17,034,404</b></u>

These financial statements were approved by the Board of Directors and authorised for issue on 16 June 2021.

Signed on behalf of the Board of Directors



JDS Harrison  
Director

**LIVING PLUS ASSETS LIMITED**  
**CASH FLOW STATEMENT**  
for the year ended 31 March 2021

	Notes	Year ended 31 March 2021 £	Year ended 31 March 2020 £
<b>Operating activities</b>			
Profit for the year		<b>1,654,352</b>	1,499,402
Finance income	5	<b>(1,661,713)</b>	(1,509,374)
<b>Net cash outflow before changes in working capital</b>		<b>(7,361)</b>	(9,972)
Decrease in trade and other receivables		<b>2,416</b>	6,442
Increase / (decrease) in trade and other payables		<b>7,847</b>	(26,691)
<b>Net cash inflow / (outflow) from operating activities</b>		<b>2,902</b>	(30,221)
<b>Investing activities</b>			
<b>Net cash inflow from investing activities</b>		-	-
<b>Financing activities</b>			
<b>Net cash outflow from financing activities</b>		-	-
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>2,902</b>	(30,221)
Cash and cash equivalents at beginning of year		<b>7,360</b>	37,581
<b>Cash and cash equivalents at end of year</b>	13	<b>10,262</b>	7,360

The finance income of £1,661,713 (2020: £1,509,374) earned in the financial year ended 31 March 2021 is generated from the loan interest receivable from the immediate parent company, which is not received as at 31 March 2021.

**LIVING PLUS ASSETS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 March 2021**

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**1. Accounting policies**

The Company's financial statements are prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. The Company's financial statements are prepared in Sterling and all values are rounded to the nearest pound except where otherwise indicated. The Company is registered in England and Wales under the Companies Act 2006. The principal accounting policies are set out below.

**Changes in accounting policies**

New standards, interpretations and amendments effective for periods beginning on or after 1 January 2020 and which are applicable to the Company's accounting policies are:

- Revised Conceptual Framework for Financial Reporting
- IAS 1 and IAS 8: Definition of Material

The revised Conceptual Framework includes concepts on measurement such as factors to consider when selecting a measurement basis, concepts on presentation and disclosure and guidance on recognising assets and liabilities as well as when they are removed from the financial statements.

IAS 1 updated definition of material makes reference to 'obscuring' information that may influence the decision of general purpose financial statements.

**New standards and standards issued but not yet effective**

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the company has decided not to adopt early. The most significant of these is:

- Covid-19 Related Rent Concessions (Amendment to IFRS 16) (effective 1 June 2021)
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2 (effective 1 January 2021)
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1) and Classification of Liabilities as Current or Non-current (effective 1 January 2023)

**Going concern**

Having made appropriate enquiries and reviewing the Company's forecast cashflows over the next 13 months, in particular regarding the ability of the Company to meet its liabilities as and when they fall due, the Directors are satisfied that the Company has adequate resources to continue its operations for the foreseeable future. Cash flows and liquidity are monitored on a Group basis, and the going concern of Living Plus Assets Limited is underpinned by the investment property and equity release plan portfolio held by the Group and the cash flows generated from the disposals of the investment property and equity release plan assets. We have assessed the impact of COVID-19 on Living Plus Assets Limited and consider it to have negligible bearing on the Company's finances given their principal activities and the continued support from the Group. The Directors, therefore, continue to adopt the going concern basis in preparing the financial statements.



**LIVING PLUS ASSETS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 March 2021**

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**1. Accounting policies (continued)**

**Finance income**

Finance income arises from an unsecured loan facility that bears interest which is rolled up into the loan. This accrued interest is recognised each year, but is not expected to be received until after more than one year.

**Loans and other receivables**

Loans and other receivables are non-derivative assets with fixed or determinable payments that are not quoted in an active market. These relate to an intergroup loan with the parent company, Milton Homes Limited. After initial measurement loans and other receivables are subsequently carried at amortised cost using the effective interest method less any allowance for impairment.

Amortised cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction costs. Gains and losses are recognised in the statement of comprehensive income when the loans and other receivables are derecognised or impaired, as well as through the amortisation process.

**Impairment of loans and receivables**

Impairment provisions for loans and receivables including intra-group balances are recognised based on a forward looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised. It was determined that, having regard to the terms of each loan, no provisions were required.

**Trade and other payables**

Trade and other payables are stated at cost.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and demand deposits and are subject to an insignificant risk of changes in value.

For the purpose of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

**LIVING PLUS ASSETS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 March 2021**

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**1. Accounting policies (continued)**

**Financial instruments**

The Company's principal financial instruments comprise cash, trade and other receivables, and trade and other payables. Cash and cash equivalents are considered to be cash at bank and cash in hand. The main purpose of these instruments is to meet operating, administrative and finance costs. It is the Company's policy that no speculative trading in financial instruments shall be undertaken. The Directors consider that there are no material differences between the carrying values and fair values of the Company's financial assets and liabilities at each year end.

**Current tax**

The tax expense represents the sum of the tax currently payable and deferred tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

**Deferred tax**

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax rates and laws enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the statement of comprehensive income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

**2. Critical accounting judgements and key sources of estimation and uncertainty**

In the process of applying the Company's accounting policies as described in note 1, management have not identified any judgements or estimations that have a significant effect on the amounts recognised in the financial statements.

**3. Information regarding directors and employees**

The Directors have not received any emoluments for their services from the Company during the period (2020: £nil). They have been paid £114,488 (2020: £149,678) from another group company, Retirement Plus Limited. There were no other employees (2020: nil).

**LIVING PLUS ASSETS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 March 2021**

**4. Operating loss**

The operating loss is stated after charging:

	Year ended 31 March 2021 £	Year ended 31 March 2020 £
Auditors' remuneration: - audit fees	2,200	3,225

**5. Finance income**

	Year ended 31 March 2021 £	Year ended 31 March 2020 £
Interest receivable on immediate parent company loans	1,661,713	1,509,374

**6. Tax charge for the year**

The effective rate of corporation tax for the previous year is the same as the standard rate in the United Kingdom (19%) as applied to the Company's pre-tax profit for the reasons analysed below.

	Year ended 31 March 2021 £	Year ended 31 March 2020 £
<u>Analysis of tax charge for the year</u>		
Current tax charge	-	-
Deferred tax charge	-	-
Tax charge for the year	-	-
<u>Reconciliation of total tax charge</u>		
Profit on ordinary activities before tax	1,654,352	1,499,402
Profit on ordinary activities multiplied by the standard rate of Corporation tax in the United Kingdom (19%) (2020: 19%)	314,327	284,886
<u>Factors affecting the tax charge for the year:</u>		
Group relief claimed	(314,327)	(284,886)
Tax losses utilised in year	-	-

Deferred tax assets are recognised for tax losses carried forward and other temporary differences to the extent that realisation of the related tax benefit through future taxable profits is probable. The Company had an unrecognised deferred tax asset in 2021 of £nil (2020: £nil).

**LIVING PLUS ASSETS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 March 2021**

**6. Tax charge for the year (continued)**

Although the Finance Act 2016 was enacted to introduce a reduction of the headline rate of corporation tax to 17% from 1 April 2020, on 11 March 2020 the Chancellor confirmed that the rate for corporation tax will remain at 19%. This change will be made under a Budget resolution, which has statutory effect under the provisions of the Provisional Collection of Taxes Act 1968. As such, it is substantially enacted for UK GAAP on the passing of the resolution, which was passed in March 2020. Deferred tax is calculated at 19% as the temporary differences are expected to unwind after April 2021.

**7. Loans receivable**

	<b>31 March 2021 £</b>	<b>31 March 2020 £</b>
<u>Non-current</u>		
Loans to immediate parent company	<b><u>17,387,863</u></b>	<b><u>15,748,338</u></b>

On 20 September 2011, an unsecured subordinated loan facility was provided to Milton Homes Limited (the immediate parent company). This facility bears interest at 10% per annum which may be rolled up into the loan at the company's discretion. The loan and accrued interest are expected to be received after more than one year.

**8. Trade and other receivables**

	<b>31 March 2021 £</b>	<b>31 March 2020 £</b>
Amounts owed by group companies	<b>1,451,605</b>	<b>1,454,020</b>
Accrued interest owed by immediate parent company	<b><u>281,064</u></b>	<b><u>258,877</u></b>
	<b><u>1,732,669</u></b>	<b><u>1,712,897</u></b>

**9. Trade and other payables**

	<b>31 March 2021 £</b>	<b>31 March 2020 £</b>
Amounts owed to group companies	<b>431,258</b>	<b>427,151</b>
Accruals	<b><u>10,780</u></b>	<b><u>7,040</u></b>
	<b><u>442,038</u></b>	<b><u>434,191</u></b>

Under IAS 7, current loans and borrowings owed to group companies have moved by £4,107 from £427,151 to £431,258 due to transfers made from another group company, Milton Homes Properties Limited.

**LIVING PLUS ASSETS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 March 2021**

**10. Financial instruments**

**Classification and measurement**

Loans and trade receivables are held solely for the collection of contractual cash flows, being interest, fees and repayments of principal. These assets continue to be held at amortised cost. Financial liabilities are held solely for the collection and payment of contractual cash flows, being payments of principal and interest where applicable. These continue to be held at amortised cost.

The main risks arising from the Company's financial instruments are liquidity risk, credit risk, and capital management. There is no currency risk as all financial instruments are held in Sterling. There is no interest rate risk and market risk as the Company does not have any floating rate debt obligation. There is no credit risk as intercompany loans are not demanded.

*Liquidity risk*

The Company monitors its liquidity risk by maintaining short-term and long-term cash flow forecasts which identify significant future cash flow requirements, primarily from debt repayment schedules. There is no risk to capital at the year end as little cash is required.

*Commitments and contingencies*

The table below summarises the maturity profile of the company's financial liabilities at 31 March 2020 and 31 March 2021 based on contractual undiscounted payments:

	Interest rate (%)	Within 1 year £'000	1-5 years £'000	More than 5 years £'000	Total £'000
<u>Year ended 31 March 2020</u>					
Amount owed to group undertakings	-	427	-	-	427
<u>Year ended 31 March 2021</u>					
Amount owed to group undertakings	-	431	-	-	431

There is no impact of changes in interest rates to profit before tax and equity.

*Credit risk*

The Company's exposure to credit risk arises from cash and cash equivalents, and parent company loans. Exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. There is no risk at the year end.

*Capital management*

The primary objective of the Company's capital management is to ensure that it has sufficient funding capacity for itself. The Company's capital is deemed to be its equity.

*Fair values of financial assets and financial liabilities*

The Directors consider that there are no material differences between the carrying values and the fair values of financial assets and liabilities at each year end.

**LIVING PLUS ASSETS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 March 2021**

**11. Share capital**

	<b>31 March 2021</b>	<b>31 March 2020</b>
<b>Authorised:</b>		
50,000,000 ordinary shares of £1 each	<b><u>£50,000,000</u></b>	<b><u>£50,000,000</u></b>
<b>Allotted, issued and fully paid:</b>		
	<b>31 March 2021</b>	<b>31 March 2020</b>
20,165,392 ordinary shares of £1 each	<b><u>£20,165,392</u></b>	<b><u>£20,165,392</u></b>

**12. Reserves**

	<b>Retained earnings £</b>
At 1 April 2020	(3,130,988)
Profit for the year	<u>1,654,352</u>
<b>At 31 March 2021</b>	<b><u>(1,476,636)</u></b>

**13. Notes to cash flow statement**

For the purpose of the cash flow statement, cash and cash equivalents comprise the following:

	<b>31 March 2021 £</b>	<b>31 March 2020 £</b>
Cash at bank and in hand	<b><u>10,262</u></b>	<b><u>7,360</u></b>

**14. Related party transactions**

On 20 September 2011, an unsecured subordinated loan facility was provided to Milton Homes Limited (the immediate parent undertaking). This facility bears interest at 10% per annum which is rolled up into the loan and is expected to be received after more than one year. At 31 March 2021, the outstanding loan balances (including accrued interest) receivable from Milton Homes Limited was £17,668,927 (2020: £16,007,215).

Amounts payable to other group undertakings are set out in note 11 and amounts due from other group undertakings are set out in note 10.

Interest receivable from the company's immediate parent undertaking is disclosed in note 5.

**15. Ultimate parent undertaking and controlling party**

The immediate parent undertaking, for which consolidated financial statements are prepared and of which the Company is a member, is Milton Homes Limited. Copies of the financial statements of Milton Homes Limited are available from Companies House, Crown Way, Maundy, Cardiff, CF14 3UZ.

At 31 March 2021, the ultimate parent undertaking and controlling party was City of London Group plc, a company registered in England and Wales.

**LIVING PLUS ASSETS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 March 2021**

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**16. Post balance sheet events**

There are no post balance sheet events.