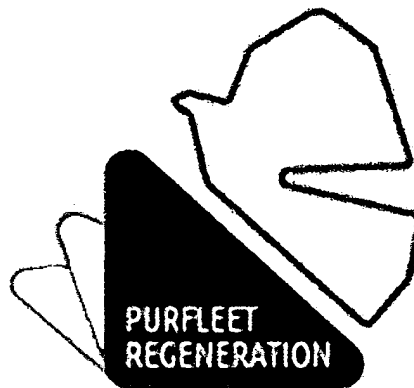


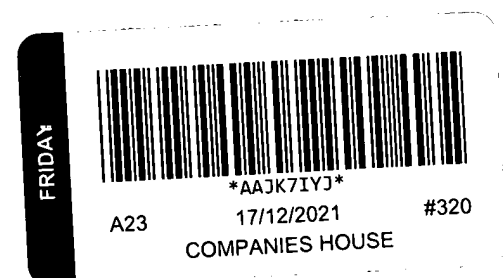
Company No: 08879332



# Purfleet Centre Regeneration Limited

Annual Report and Financial Statements

Year ended 31 March 2021



Purfleet Centre Regeneration Limited  
Year ended 31 March 2021

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Purfleet Centre Regeneration Limited  
Year ended 31 March 2021

## Legal and Administrative Details

Directors	Kenneth Dytor Vice Admiral Sir Timothy James Hamilton Laurence John Synnuck Geoffrey James Pearce (name changed 9 April 2020) Richard Aldington James King (appointed 1 April 2020)
Secretary	Susan McBride
Registered Office	Pilgrim House High Street Billericay Essex CM12 9XY
External Auditor	Grant Thornton UK LLP 30 Finsbury Square London EC2A 1AG
Solicitors	Bird & Bird LLP 12 New Fetter Lane London EC4A 1JP
Bankers	Natwest 29 East Walk Basildon Essex SS14 1HD
Company's Registered Number	08879332

Purfleet Centre Regeneration Limited  
Year ended 31 March 2021

## Strategic Report

### Principal Activity

The Company's principal activity is the regeneration of the centre of Purfleet, Thurrock. The Company is a joint venture between Swan New Homes Limited (a subsidiary undertaking of Swan Housing Association Limited), Regeneration Investments Limited, Keltbray Limited and Vice Admiral Sir Timothy James Hamilton Laurence.

### Results

The Company has recorded a loss of £27,000 (2020: £10,000) in the year. The losses relate to administration fees incurred by the Company.

### Review of the Business for the year and Future Developments

The Company's plan is to regenerate the centre of Purfleet which will involve up to 2,850 new homes, an integrated medical centre, improved transport infrastructure, a new primary school, and over 1,000,000 square feet of film and TV production studios.

At 31 March 2021, the Company has drawn £8,982,000 of the Junior Loan Facility (2020: £8,982,000) from its shareholders, and £12,600,000 (2020: £10,500,000) of the £18,100,000 Revolving Credit Facility with Swan New Homes Limited. A further £750,000 of the Revolving Credit Facility has been drawn since 31 March 2020. Figures exclude capitalised interest, which at 31 March 2021 was £6,633,000 and £4,834,000 (2020: £4,873,000 and £2,538,000) respectively. Outline planning permission was secured on 25 April 2019, and on 9 January 2020 Thurrock Council planning committee gave Reserved Matters approval for Phase 1A of the regeneration of Purfleet to commence. The Company is currently in discussions with potential funders about senior debt funding. Site remediation works for Phase 1A commenced in March 2021.

### Key Performance Indicators

During the prior year the Company secured outline planning permission for the development, with reserved matters for Phase 1A of the regeneration scheme, and as such all associated costs were capitalised against the development.

KPI	2020/21	2019/20
Work in progress (including capitalised interest)	£37,752,000	£27,171,000
Junior Loan Facility – balance drawn (excluding capitalised interest)	£8,982,000	£8,982,000
Revolving Credit Facility – balance drawn (excluding capitalised interest)	£12,600,000	£10,500,000

### Going Concern

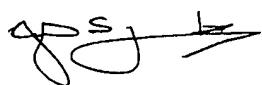
On the basis of their assessment of the Company's funding arrangements, trading prospects and other aspects of its financial position, the Directors have a reasonable expectation that the Company will be able to continue in operational existence and meet its liabilities as they fall due for the foreseeable future, being the period to March 2023. The impact of Covid19 has been modelled and mitigations developed as part of the projects approach to risk management. The Company has been awarded £75m of housing infrastructure grant for Phase 1A, and is currently in discussions with potential funders about senior debt funding. The Company will also utilise the remainder of the Revolving Credit Facility across the next 12 months, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

### Risk Management

The Company has developed a risk register. It is reviewed and updated by the Board of Directors on a quarterly basis. The principal risks affecting the Company at the current stage of its business are general economic slowdown leading to a forecast drop in property sales, recruiting and retaining key personnel and employment of contractors and planning /development risk related to the development of site.

The impact of the United Kingdom's June 2016 decision to leave the European Union including the end of the transition period in December 2020 and the impact of Covid19 continues to be monitored by the Directors, but is not currently expected to materially impact the Company's future prospects and opportunities.

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



John Synnuck  
Director  
14 December 2021

Purfleet Centre Regeneration Limited  
Year ended 31 March 2021

## Directors' Report

The Directors submit their annual report and audited financial statements of Purfleet Centre Regeneration Limited (the "Company"), registered number 08879332 for the year ended 31 March 2021.

### Directors

A list of the Company's Directors at the year end and during the year can be found on the Legal and Administrative Details page of this Annual Report and Financial Statements.

### Future Developments

Future developments are detailed in the Strategic Report.

### Directors' Responsibilities Statement

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). 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 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 whether applicable UK Accounting Standards have been followed, 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.

### Directors' Indemnity Insurance

The Company maintains Directors' and officers' liability insurance for its Board members and officers, which is renewed annually.

### Disclosure of information

The Directors confirm that

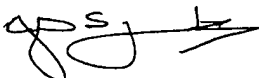
- so far as each Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Directors have taken all steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's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

### Auditor

A resolution to reappoint Grant Thornton UK LLP as auditor of the Company is to be proposed in accordance with Section 485 Companies Act 2006.

In preparing this report, the Directors have taken advantage of the small companies exemption in Part 15 of the Companies Act 2006.

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



John Synnuck  
Director  
14 December 2021

## **Independent Auditor's Report to the Members of Purfleet Centre Regeneration Limited**

### **Opinion**

We have audited the financial statements of Purfleet Centre Regeneration Limited (the 'company') for the year ended 31 March 2021, which comprise the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Financial Position, the Statement of Cash Flows 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 United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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 loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

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.

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.

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section 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 auditor's 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.

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

We have nothing to report in this regard.

## **Independent Auditor's Report to the Members of Purfleet Centre Regeneration Limited (cont)**

### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

### **Matter on which we are required to report under the Companies Act 2006**

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.

### **Matters on which we are required to report by exception**

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; or
- The directors were not entitled to take advantage of the small companies' exemptions in preparing the directors' report.

### **Responsibilities of directors for the financial statements**

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

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

### **Auditor's responsibilities for the audit of the financial statements**

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

## Independent Auditor's Report to the Members of Purfleet Centre Regeneration Limited (cont)

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the entity and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting framework FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and Companies Act 2006.
- We assessed the susceptibility of the entity's financial statements to material misstatement, including how fraud might occur and the risk of management override of controls. Audit procedures performed by the engagement team included:
  - Identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
  - Challenge assumptions and judgements made by management in its significant accounting estimates;
  - Identifying and testing journal entries; and
  - Identifying and testing related party transactions.
- Assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation.
- In assessing the potential risks of material misstatement, we obtained an understanding of:
  - the entity's operations, including the nature of its revenue sources and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement;
  - the entity's control environment, including management's knowledge of relevant laws and regulations and how the company is complying with those laws and regulations, the adequacy of procedures for authorisation of transactions, and procedures to ensure that possible breaches of law and regulations are appropriately resolved.
- We enquired of management and the Board of Directors about the company's policies and procedures relating to the identification, evaluation and compliance with laws and regulations and the detection and response to the risks of fraud and the establishment of internal controls to mitigate risks related to fraud or noncompliance with laws and regulations.
- We enquired of management and the Board of Directors, whether they were aware of any instances or noncompliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. However, detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as those irregularities that result from fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations.

### Use of our report

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

*Grant Thornton UK LLP*

Joanne Love LLB FCA  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
London  
15 December 2021



Purfleet Centre Regeneration Limited  
Year ended 31 March 2021

## Statement of Comprehensive Income

	Notes	2021 £'000	2020 £'000
Administrative expenses		(27)	(10)
<b>Operating loss</b>	7	<b>(27)</b>	<b>(10)</b>
Interest payable and similar charges	8	-	-
<b>Loss on ordinary activities before tax</b>		<b>(27)</b>	<b>(10)</b>
Tax on loss on ordinary activities	9	-	-
<b>Loss for the financial year being total comprehensive expense for the year</b>		<b>(27)</b>	<b>(10)</b>

All of the Company's operations are classified as continuing. There were no gains or losses in either year other than those included in the Statement of Comprehensive Income above.

The notes on pages 10 to 15 form part of these financial statements.

## Statement of Changes in Equity

	Called up share capital	Profit and loss account	Total
	£'000	£ '000	£ '000
<b>Balance as at 1 April 2019</b>	-	(21)	(21)
Loss for the financial year being total comprehensive expense for the year	-	(10)	(10)
<b>Balance as at 31 March 2020</b>	-	<b>(31)</b>	<b>(31)</b>
Loss for the financial year being total comprehensive expense for the year	-	(27)	(27)
<b>Balance as at 31 March 2021</b>	-	<b>(58)</b>	<b>(58)</b>

The notes on pages 10 to 16 form part of these financial statements.

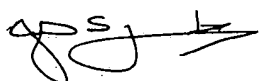
Purfleet Centre Regeneration Limited  
Year ended 31 March 2021

## Statement of Financial Position

	Notes	2021 £'000	2020 £'000
<b>Current assets</b>			
Work in progress	10	37,752	27,171
Debtors: amounts receivable in less than one year	11	1,076	77
Cash at bank and in hand		233	21
		<u>39,061</u>	<u>27,269</u>
<b>Creditors: amounts falling due within one year</b>	12	<u>(1,393)</u>	<u>(407)</u>
<b>Net current assets</b>		37,668	26,862
<b>Creditors: amounts falling due after more than one year</b>	13	<u>(37,726)</u>	<u>(26,893)</u>
<b>Net liabilities</b>		<u>(58)</u>	<u>(31)</u>
<b>Capital and reserves</b>			
Called up share capital	14	-	-
Profit and loss account	15	<u>(58)</u>	<u>(31)</u>
<b>Deficit in shareholders' funds</b>		<u>(58)</u>	<u>(31)</u>

The notes on pages 10 to 16 form part of these financial statements.

These financial statements were approved and authorised for issue by the Board of Directors on 14 December 2021 and were signed on its behalf by:



**John Synnuck**  
Director



**Geoff Pearce**  
Director

Company Registration Number: 08879332

Purfleet Centre Regeneration Limited  
Year ended 31 March 2021

## Statement of Cash Flows

	Note	2021 £'000	2020 £'000
Net cash outflow from operating activities	A	(1,888)	(3,339)
Net cash inflow from financing activities	B	2,100	3,350
		<hr/>	<hr/>
<b>Net change in cash</b>		212	11
Cash at beginning of the year		21	10
		<hr/>	<hr/>
<b>Cash at end of the year</b>		233	21
		<hr/>	<hr/>

### A. Reconciliation of loss to net cash outflow from operating activities

	2021 £'000	2020 £'000
Loss for the financial year	(27)	(10)
<i>Add back:</i>		
(Increase) in work in progress	(10,581)	(6,584)
(Increase) in debtors	(998)	(50)
Increase in creditors	986	266
Increase in grant	4,677	-
Capitalised interest on loan facilities	4,055	3,039
	<hr/>	<hr/>
<b>Net cash outflow from operating activities</b>	<b>(1,888)</b>	<b>(3,339)</b>
	<hr/>	<hr/>

### B. Net cash inflow from financing activities

	2021 £'000	2020 £'000
Drawdown of Revolving Credit Facility	2,100	3,350
	<hr/>	<hr/>
<b>Net cash inflow from financing activities</b>	<b>2,100</b>	<b>3,350</b>
	<hr/>	<hr/>

The notes on pages 10 to 16 form part of these financial statements

Purfleet Centre Regeneration Limited  
Year ended 31 March 2021

## Notes to the Financial Statements

### 1. Company Information

The financial statements for Purfleet Centre Regeneration Limited for the year ended 31 March 2021 were authorised for issue by the Board of Directors on 15 September 2021. Purfleet Centre Regeneration Limited is incorporated and domiciled in England and Wales. The Company's registered office at 31 March 2021 is Pilgrim House, High Street, Billericay, Essex, CM12 9XY.

### 2. Basis of Preparation

The financial statements, incorporating the financial statements of the company, have been prepared under the historical cost convention, unless specified within these accounting policies, in compliance with applicable UK accounting standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" ("FRS 102") and the Companies Act 2006.

#### Going concern

On the basis of their assessment of the Company's funding arrangements, trading prospects and other aspects of its financial position, the Directors have a reasonable expectation that the Company will be able to continue in operational existence and meet its liabilities as they fall due for the foreseeable future, being the period to March 2023. The on-going impact of Covid19 has been modelled and mitigations developed as part of the projects approach to risk management. The Company has been awarded £75m of housing infrastructure grant for Phase 1A, and is currently in discussions with potential funders about senior debt funding. The Company will also utilise the remainder of the Revolving Credit Facility across the next 12 months, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

### 3. Significant judgements and estimates

The preparation of financial statements in conformity with FRS 102 requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the year end and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following are considered significant judgements or key sources of estimation uncertainty:

- The assessment that work in progress is carried at the lower of cost or net realisable value. Management assesses the net realisable value of schemes using publicly available information, and having received Reserved Matters planning permission for Phase 1A in January 2020, forecasts an overall profit for the scheme after allowing for all further costs of completion and subsequent disposal of the housing properties.
- A judgement regarding financial instrument classification. The Company's loans are required to be classified as either basic or non-basic financial instruments in accordance with the conditions set out under FRS102 section 11.9. Management has assessed the terms of certain financial instruments which are classified as non-basic and consider the variations do not meet the definition of an embedded derivative. Accordingly, such instruments are measured at amortised cost. Management is also required to estimate future cashflows under the terms of this agreement. Such estimation is subject to estimation uncertainty, refer also to note 13.

### 4. Principal Accounting Policies

#### Expenditure

Net operating expenditure is recognised in respect of goods and services received when supplied in accordance with contractual terms.

#### Capitalisation of interest costs

Interest on borrowings is capitalised in respect of working progress relating to housing properties under construction up to the date of completion of each phase. The interest capitalised is either on borrowings specifically financing a scheme or on net borrowings to the extent that they are deemed to be financing a scheme. This treatment applies irrespective of the original purpose for which the loan was raised.

#### Taxation

Current tax is recognised for the amount of corporation tax payable in respect of the taxable profit for the current or past reporting years using the rates and laws that have been enacted or substantively enacted at the reporting date.

Purfleet Centre Regeneration Limited  
Year ended 31 March 2021

## Notes to the Financial Statements (cont)

### Deferred taxation

Deferred tax is recognised in respect of all timing differences at the reporting date, except as indicated. Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or future taxable profits.

Deferred tax is calculated using the rates and laws enacted or substantively enacted at the reporting date that are expected to apply to the reversal of the timing difference. Deferred tax liabilities are presented in provisions for liabilities and deferred tax assets in debtors. Such assets and liabilities are only offset where the Company has a legal right of set off.

### VAT

The Company is registered for VAT and consequently its expenditure on taxable activities is shown exclusive of VAT.

### Work in progress

Work in progress consists of costs and capitalised interest incurred on the regeneration project. This is held at the lower of cost or estimated selling price less costs to complete and sell. Assessing net realisable value requires use of estimation techniques. In making this assessment, management considers publicly available information and internal forecasts on future sales activity. Net realisable value is based on estimated sales price after allowing for all further costs of completion and disposal.

### Government grants

Government grants include grants receivable from the Homes England. Capital grants received are accounted for under the accruals method within creditors and recognised in income as properties are sold. Grants relating to revenue are recognised as income over the same period as the expenditure to which they relate once reasonable assurance has been gained that any conditions associated with the grant have been met.

### Trade creditors

Trade creditors on normal terms are not interest bearing and are stated at their fair value.

### Financial Instruments

Financial instruments are accounted for in accordance with Sections 11 and 12 of FRS 102.

Financial instruments which meet the criteria of a basic financial instrument as defined in Section 11 of FRS 102 are accounted for under an amortised cost model. The effective interest rate method, which applies the interest rate that exactly discounts the estimated future cash flows to the carrying amount of the financial instrument at initial recognition, has been used to calculate amortised cost. Any material related fees and transaction costs are also amortised using this method.

Non basic financial instruments are recognised initially and subsequently at fair value, with changes in fair value recognised in profit or loss, unless such financial instruments are not permitted to be measured at fair value through profit or loss (FRS 102 12.8(c)), in which case they are also measured at amortised cost.

## 5. Directors' remuneration

None of the Directors received any remuneration or other benefits for their qualifying services to the Company (2020: £nil). The Company did not provide a retired benefits scheme for its Directors in either the current or preceeding years.

## 6. Staff numbers and costs

The Company had no employees during either the current year or prior year.

## 7. Operating loss

	2021 £'000	2020 £'000
Operating loss is stated after charging:		
Auditor's remuneration for the audit of the financial statements of the Company	3	3

Purfleet Centre Regeneration Limited  
Year ended 31 March 2021

## Notes to the Financial Statements (cont)

### 8. Interest payable and similar charges

	2021 £'000	2020 £'000
On Junior Loan Facility from shareholders	1,759	1,558
On Revolving Credit Facility from Swan New Homes Limited	2,296	1,481
	<u>4,055</u>	<u>3,039</u>
Less: interest capitalised on work in progress	(4,055)	(3,039)
	<u>-</u>	<u>-</u>

### 9. Tax on loss on ordinary activities

	2021 £'000	2020 £'000
UK Corporation Tax on loss for the year	-	-
	<u>-</u>	<u>-</u>
<b>Tax reconciliation</b>	<b>2021 £'000</b>	<b>2020 £'000</b>
Loss on ordinary activities before tax	(27)	(10)
	<u>(27)</u>	<u>(10)</u>
Loss on ordinary activities multiplied by standard rate of Corporation Tax in the UK of 19% (2020: 19%)	(5)	(2)
Effects of:		
Expenses not deductible for tax purposes	5	1
Tax losses carried forward	-	1
	<u>5</u>	<u>1</u>
Tax charge on loss on ordinary activities	0	-
	<u>0</u>	<u>-</u>

#### Deferred tax assets

The deferred tax asset of £9,972 (2020: £5,273) in respect of tax losses carried forward of approximately £52,000 (2020: £28,000) has not been recognised. Although the Directors expect the business to generate future taxable profits, they also consider that at the current early stage of the business it is inappropriate to recognise the asset at this time.

#### Factors impacting future taxes

The UK Government previously announced that the rate of UK corporation tax would reduce to 17% with effect from 1 April 2020. In the Spring Budget 2020, however, the Government announced that the previously enacted decrease in corporation tax from 19% to 17% from 1 April 2020 would no longer happen and that rates would remain at 19% for the foreseeable future. The new law was substantively enacted by a resolution under the Provisional Collection of Taxes Act 1968 on 17 March 2020.

In the Spring Budget 2021, the Government announced that from 1 April 2023, the corporation tax rate will increase to 25%. Since the proposal to increase the rate to 25% has not been substantively enacted at the balance sheet date, its effects are not included in these financial statements. However, it is likely that the change would have no impact on the overall tax charge for the year or on the corporation and deferred tax provisions at the balance sheet date, had it been substantially enacted at that time.

Purfleet Centre Regeneration Limited  
Year ended 31 March 2021

## Notes to the Financial Statements (cont)

### 10. Work in progress

	2021 £'000	2020 £'000
On costs	26,285	19,759
Capitalised interest	11,467	7,412
	<u>37,752</u>	<u>27,171</u>

### 11. Debtors

	2021 £'000	2020 £'000
VAT receivable	215	76
Investments	1	-
Other debtors	848	-
Prepayments	12	1
	<u>1,076</u>	<u>77</u>

### 12. Creditors: amounts falling due within one year

	2021 £'000	2020 £'000
Trade creditors	515	366
Accruals	215	41
Retentions	46	-
Intercompany creditor	617	-
	<u>1,393</u>	<u>407</u>

### 13. Creditors: amounts falling due after one year

	2021 £'000	2020 £'000
Junior Loan Facility from:		
- Swan New Homes Limited	8,584	7,464
- Regeneration Investments Limited	5,551	5,046
- Keltbray Limited	1,339	1,217
- Vice Admiral Sir Timothy James Hamilton Laurence	141	128
	<u>15,615</u>	<u>13,855</u>
Revolving Credit Facility from:		
- Swan New Homes Limited	17,434	13,038
Grant awarded – Homes England	4,677	-
	<u>37,726</u>	<u>26,893</u>

Purfleet Centre Regeneration Limited  
Year ended 31 March 2021

## Notes to the Financial Statements (cont)

### 13. Creditors: amounts falling due after one year (cont)

As at 31 March 2021 the Junior Facility was 100% funded (2020: 100%) from the shareholders. The Junior Loan Facility is for £8,982,000 and the amounts stated above include accrued unpaid interest. It is funded from the shareholders in the same proportion as their ownership, with maturity at the earlier of the final completion on Phase 1 or 31 December 2022. The purpose of this facility was to fund the development at Purfleet through the planning phase.

In relation to the Junior Loan Facility described above, the rate of interest in respect of the Swan New Homes Limited participation is 14.0579% per annum, while the rate of interest in respect of each other lender's participation is 9.56897%.

As at 31 March 2021 the Revolving Credit Facility £12.6m drawn (2020: £10.5m). The Revolving Credit Facility is for £18,100,000 and it is funded from Swan New Homes, with maturity at the earlier of the final completion on Phase 1 or 31 December 2022. The purpose of this facility was to fund the development at Purfleet through the planning phase.

In relation to the Revolving Credit Facility described above, the rate of interest is 14.0579% per annum.

Both facilities are subject to an interest uplift contingent upon surpluses being generated in excess of planned levels. Given the early stage of the development's progress it is not presently anticipated that such an uplift will be payable. Both facilities are secured by a floating charge over the assets of the Company.

On 21 December 2020 the Company, along with Thurrock Borough Council, entered into an agreement with Homes England for the provision of funding through the Housing Infrastructure Funding programme. The Company has entered into a back to back agreement with Thurrock Borough Council to provide security for the funding through a fixed and floating charge on the Company's assets.

### 14. Share capital

	2021 £	2020 £
<b>Authorised, called up, allotted and fully paid</b>		
1,000 Ordinary shares of £0.001 each	1	1

The shares have attached to them full voting, dividend and capital distribution (including on winding up) rights. They do not confer any rights of redemption.

### 15. Profit and loss reserve

The profit and loss account includes all current year and prior period retained profits and losses, less dividends paid.



Purfleet Centre Regeneration Limited  
Year ended 31 March 2021

## Notes to the Financial Statements (cont)

### 16. Analysis of changes in net debt

	At 1 April 2020	Cash flows	Other non- cash changes	At 31 March 2021
	£'000	£'000	£'000	£'000
<b>Cash and cash equivalents</b>				
Cash at bank and in hand	21	212	-	233
	<u>21</u>	<u>212</u>	<u>-</u>	<u>233</u>
<b>Borrowings</b>				
Debt due after one year	(26,893)	(2,100)	(4,055)	(33,048)
	<u>(26,872)</u>	<u>(1,888)</u>	<u>(4,055)</u>	<u>(32,815)</u>

Other non-cash changes relates to interest payable on the Junior Loan Facility and the Revolving Credit Facility, accrued into the loan notes.

### 17. Related party transactions

Transactions with the controlling parties during the year were as follows

	<b>Professional Fees</b>		<b>Interest Payable</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	£'000	£'000	£'000	£'000
Swan New Homes Limited	360	360	3,415	2,457
Regeneration Investments Limited	-	-	505	460
Keltbray Limited	910	15	122	111
Vice Admiral Sir Timothy James Hamilton Laurence	-	-	13	12
	<u>1,270</u>	<u>953</u>	<u>4,055</u>	<u>3,040</u>

During the year Swan New Homes provided additional loans either through additional cash advances or capitalisation of loan interest owed. Amounts advanced or loan interest capitalised as at the year end are disclosed in notes 8 and 13.

During the year, the Company engaged Urban Catalyst Limited, a company in which Kenneth Dytors has a controlling interest, for consultancy & development management services and incurred £1,326,324 in costs (2020: £1,279,777), with £nil (2020: £nil) outstanding at the year end. Kenneth Dytors and Richard Aldington served as Directors to both Urban Catalyst Limited and the Company in the year.

### 18. Ultimate parent undertaking

The Company does not have an immediate parent undertaking or ultimate parent undertaking. At 31 March 2021 the Company's shares were owned by Swan New Homes Limited (49.9%), Regeneration Investments Limited (39.6%), Keltbray Limited (9.5%) and Vice Admiral Sir Timothy James Hamilton Laurence (1.0%).

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Swan New Homes Limited is a wholly owned subsidiary of Swan Housing Association Limited. Swan New Homes Limited regards Swan Housing Association Limited, a Registered Society and a Co-operative and Community Benefit Society registered in England and Wales, as its ultimate parent undertaking and controlling party. Consolidated financial statements for the ultimate parent undertaking can be obtained from its registered office at Pilgrim House, High Street, Billericay, Essex CM12 9XY.

Regeneration Investments Limited is controlled by Kenneth Dytor. Its financial statements can be obtained from its registered office at Acre House, 11/15 William Road, London, NW1 3ER. Richard Aldington was appointed as a Director of Regeneration Investments Limited on 31 July 2018.

Keltbray Limited is a subsidiary of Keltbray Group Limited. Financial statements for Keltbray Limited and its parent undertaking can be obtained from their registered office at St Andrew's House, Portsmouth Road, Esher, Surrey, KT10 9TA.

19. **Contingent Liability**

The Company is representative member of a new VAT group which became effective from 24 February 2021. As representative member, the Company has joint and several liability for amounts owing to HMRC by the VAT group at 31 March 2021. The net VAT due to HMRC for the period to 31 March 2021 is approximately £65k.