

ANTHOLOGY WEMBLEY PARADE LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2020



ANTHOLOGY WEMBLEY PARADE LIMITED

COMPANY INFORMATION

Directors

Mr Mark Dickinson
Mr Nael Khatoun
Mr Stefano Mazzoli
Mr Michael Gill
Mr David Clark
Mr Stephen Bangs
Mr Marc Evans

(Appointed 26 February 2020)
(Appointed 26 February 2020)
(Appointed 26 February 2020)
(Appointed 26 February 2020)

Secretary

Mr Jeremy Williams

Company number

09269929

Registered office

Unit 3 Royal Court
Church Green Close
Kings Worthy
Winchester
Hampshire
United Kingdom
SO23 7TW

Auditor

Deloitte LLP
London
United Kingdom

ANTHOLOGY WEMBLEY PARADE LIMITED

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ANTHOLOGY WEMBLEY PARADE LIMITED

STRATEGIC REPORT

FOR THE PERIOD ENDED 30 JUNE 2020

The directors present the strategic report for the period ended 30 June 2020.

Summary of the year

It has been a positive year for the company with the completion of the development at Wembley Parade. Sales from this development have resulted in turnover for the nine-month period of £57.7m (2019: £nil). Included within the £57.7m turnover was a one-off sale of affordable housing totalling £26.6m. With the national lockdown in the last quarter of the period causing reduced activity and sales, and the reporting period only being 9 months, the trading reported reflects approximately 6 months of activity.

Review of the business

The Wembley development was completed during January 2020, and we were delighted to be able to complete the pre-sales held so our customers could move in ahead of the lockdown in March.

Since the end of the reporting period, the company has enjoyed a successful period of sales. The combination of the pent-up demand for the company's award-winning homes, the continuing support from the Help to Buy initiative and in addition the stamp duty relief, has resulted in over 33 reservations taken in the 11 months since the period end. This is a great endorsement of the excellent quality, design and focus on customer service that has always underpinned Anthology's approach to delivery of new homes and building communities.

Financial review

Operating results

The company's revenue for the period was £57.7m (2019: £nil) and the profit before taxation was £4.1m (2019: loss before taxation £0.8m). Cost of sales, including sales and marketing costs which are expensed as incurred, were £51.9m (2019: £0.8m). Overhead costs for the business were £0.4m (2019: £nil). Revenue, cost of sales, and overheads have all increased in 2020 due to the completion of the development and the subsequent sale of inventory.

Balance sheet and funding

The capital employed in the business has decreased in the year, with total assets at the year-end of £35.1m (2019: £74.1m), this is due to the completion of the development and the subsequent sale of inventory. Sales proceeds have been used to pay down borrowings which stood at £16.5m (2019: £30.8m).

Principal risks and uncertainties

Risk: Market slowdown

Mitigation

- Selling off-plan extends sales period and gives visibility of pipeline
- Site appraisals and forecast margins allow for reductions in revenues without causing losses to be made

Risk: Retention of high performing talent

Mitigation

- Appropriate reward structures where employees can benefit from value created

Risk: Covid 19

Mitigation

- Current plans are in place to deal with the government guidelines on Covid 19. Plans will evolve according to changing requirements and conditions

ANTHOLOGY WEMBLEY PARADE LIMITED

STRATEGIC REPORT

FOR THE PERIOD ENDED 30 JUNE 2020

Key performance indicators

	Period ended 30 June 2020	Year ended 30 September 2019
Units sold	139	
Operating profit/(loss)	£5.4m	(£0.8m)
	As at 30 June 2020	As at 30 September 2019
Landbank units at period end	56	195
Shareholders' funds	£14.5m	£10.4m
GDV pipeline at period end	£30.9m	£88.6m

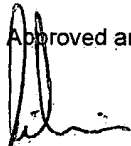
Units sold, and the operating result are discussed in the review of the company's business above. Shareholders' funds have increased due to the profit for the period.

Landbank units and the GDV pipeline at year end have both reduced due to sales during the year.

Outlook

The company has a fully funded pipeline and staff in place to deliver on projects being sold. The business plans to continue sales on this site.

Approved and authorised for issue by the board and signed on its behalf by:



Mr Mark Dickinson
Chief Executive Officer

19/07/21

ANTHOLOGY WEMBLEY PARADE LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 30 JUNE 2020

The directors present their annual report and the audited financial statements for the period ended 30 June 2020.

On 11 December 2020, the company changed its reporting date from 30 September to 30 June to align with the wider operating group. Consequently, these financial statements are prepared for a 9-month period from 1 October 2019 to 30 June 2020. The comparative information presented in these financial statements is for the 12-month period from 1 October 2018 to 30 September 2019.

Principal activities

The principal activity of the company is property development.

Directors

The directors who held office during the period and up to the date of signature of the financial statements were as follows:

Mr Mark Dickinson

Mr Nael Khatoun

Mr Stefano Mazzoli

Mr Michael Gill

(Appointed 26 February 2020)

Mr David Clark

(Appointed 26 February 2020)

Mr Stephen Bangs

(Appointed 26 February 2020)

Mr Marc Evans

(Appointed 26 February 2020)

Results and dividends

The results for the period are set out on page 9.

No dividends were paid (2019: £nil). The directors do not recommend payment of a final dividend.

Qualifying third party indemnity provisions

The company has made qualifying third-party indemnity provisions for the benefit of its directors during the period. These provisions remain in force at the reporting date.

Political donations

The company made no political donations nor incurred any political expenditure during the period (2019: £nil).

Subsequent events

The impact of the Covid 19 outbreak has become more stable with the rollout of the vaccination programme. The situation is being monitored and government's guidelines are being followed and communicated to staff. At this stage we have seen sales steadily build since the first lockdown, but management will continue to monitor closely during any further lockdown events.

The GLA Land and Property loan, with a remaining balance of £16.5m and a repayment date of March 2021, was fully repaid in November 2020 as part of the refinancing provided by the Laxfield loan. The Laxfield loan was completed to refinance the unsold stock at Wembley Parade as well as Deptford Foundry (held by a fellow subsidiary), with a facility of £53.4m from Laxfield LLP for a 3-year term. £51.8m has been drawn from this loan, the company is liable for £14.7m, with Anthology Deptford Foundry Limited liable for the remaining £37.1m.

Auditor

Deloitte LLP was appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

ANTHOLOGY WEMBLEY PARADE LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2020

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Going concern

Given the structure of the wider group and the company's operations, the company is reliant on the continued support of its intermediate parent, Anthology Group Limited ('Anthology'), to ensure the company has sufficient cash resources to enable it to meet its obligations as they fall due. The company has received a written commitment from Anthology that it will provide all financial support necessary to the company to enable it to meet its obligations as they fall due for a period no less than 12 months from the date of approval of these financial statements.

The directors have considered the ability of Anthology to provide that support. In doing so, the directors have conducted an in-depth review and prepared detailed cash flow forecasts taking into consideration the latest operating environment including the implications over Covid-19 for a period of at least 12 months from the date of approval of these financial statements in respect of Anthology and the group it heads. The board have stressed the latest forecast using a plausible but severe down-side scenario including a reduction in sales in the months following the year end, followed by a recovery to forecast sales rates over the following months. The Board has factored in the revision to payment terms from suppliers, actual savings in overheads and staff costs and the response from lenders to requests for changes to lending agreements. The down-side scenario only factors in financing arrangement terms that have already been contractually agreed. Those forecasts did not identify any concerns regarding the ability of Anthology to provide the necessary financial support to the company.

As a result, the directors therefore believe it is appropriate to adopt the going concern basis of accounting in the preparation of the Annual Report and financial statements.

Approved and authorised for issue by the board and signed on its behalf by:



Mr Mark Dickinson
Director

Date: 19/07/21

ANTHOLOGY WEMBLEY PARADE LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE PERIOD ENDED 30 JUNE 2020

The directors are responsible for preparing the Annual 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 101 "Reduced Disclosure Framework". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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.

ANTHOLOGY WEMBLEY PARADE LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ANTHOLOGY WEMBLEY PARADE LIMITED

Opinion

In our opinion the financial statements of Anthology Wembley Parade Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 30 June 2020 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 17.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

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 Financial Reporting Council's (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 required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

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 respect of these matters.

ANTHOLOGY WEMBLEY PARADE LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF ANTHOLOGY WEMBLEY PARADE LIMITED

Responsibilities of directors

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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial period 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 any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

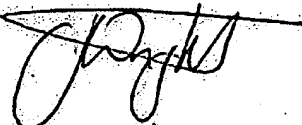
ANTHOLOGY WEMBLEY PARADE LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF ANTHOLOGY WEMBLEY PARADE LIMITED

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.



James Wright FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom

19 July 2021

ANTHOLOGY WEMBLEY PARADE LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 30 JUNE 2020

		Period ended 30 June 2020 £'000	Year ended 30 September 2019 £'000
	Notes		
Revenue	4	57,697	-
Cost of sales		(51,903)	(804)
Gross profit/(loss)		5,794	(804)
Administrative expenses		(332)	-
Other operating income		41	-
Other operating expenses		(114)	-
Operating profit/(loss)		5,389	(804)
Finance income	7	3	-
Finance costs	8	(1,277)	-
Profit/(loss) before taxation		4,115	(804)
Tax on profit/(loss)	9	-	(196)
Profit/(loss) for the financial period/year		4,115	(1,000)
Total comprehensive income/(expense) for the period/year		4,115	(1,000)

The statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

The accompanying notes on pages 12 - 21 form an integral part of these financial statements.

ANTHOLOGY WEMBLEY PARADE LIMITED

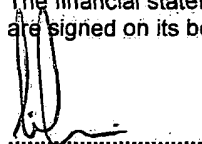
BALANCE SHEET

AS AT 30 JUNE 2020

		30 June 2020	30 September 2019
	Notes	£'000	£'000
Current assets			
Inventories	10	28,894	71,751
Trade and other receivables	11	1,857	1,345
Cash and cash equivalents		4,373	975
		<u>35,124</u>	<u>74,071</u>
Total assets		<u>35,124</u>	<u>74,071</u>
Current liabilities			
Trade and other payables	12	(4,101)	(33,409)
Borrowings	13	(16,500)	(30,254)
		<u>(20,601)</u>	<u>(63,663)</u>
Net current assets		<u>14,523</u>	<u>10,408</u>
Total liabilities		<u>(20,601)</u>	<u>(63,663)</u>
Net assets		<u>14,523</u>	<u>10,408</u>
Equity			
Share capital	14	-	-
Share premium	14	12,093	12,093
Capital contribution	14	270	270
Retained earnings	14	2,160	(1,955)
Total equity		<u>14,523</u>	<u>10,408</u>

The accompanying notes on pages 12 - 21 form an integral part of these financial statements.

The financial statements were approved by the board of directors and authorised for issue on 19/07/21 and are signed on its behalf by:



Mr Mark Dickinson
Director

Company Registration No. 09269929

ANTHOLOGY WEMBLEY PARADE LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 30 JUNE 2020

		Share capital £'000	Share premium £'000	Capital contribution £'000	Retained earnings £'000	Total equity £'000
Balance at 1 October 2018		-	-	270	(955)	(685)
Year ended 30 September 2019:						
Loss and total comprehensive expense for the year		-	-	-	(1,000)	(1,000)
Transactions with owners						
Conversion of loans	13	-	12,093	-	-	12,093
Balance at 30 September 2019		-	12,093	270	(1,955)	10,408
Period ended 30 June 2020:						
Profit and total comprehensive income for the period		-	-	-	4,115	4,115
Balance at 30 June 2020		-	12,093	270	2,160	14,523

ANTHOLOGY WEMBLEY PARADE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2020

1 Accounting policies

Company information

Anthology Wembley Parade Limited is a private company limited by shares incorporated in the United Kingdom and registered in England and Wales. The registered office is Unit 3 Royal Court, Church Green Close, Kings Worthy, Winchester, Hampshire, United Kingdom, SO23 7TW.

1.1 Accounting policies

The company meets the definition of a qualifying entity under FRS 100 'Application of Financial Reporting Requirements' issued by the FRC. Accordingly, the company's financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £'000.

The financial statements have been prepared on a going concern basis under the historical cost convention modified to include certain financial instruments that are measured at fair values.

The principal accounting policies adopted are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The company's immediate parent undertaking, Anthology Group Limited includes the company in its consolidated financial statements. The consolidated financial statements of Anthology Group Limited are prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and are available to the public and may be obtained from First Floor, 160-166 Borough High Street, London, SE1 1LB.

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

- Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital and fixed assets;
- Certain disclosures in respect of IFRS15;
- Disclosures in respect of capital management;
- Disclosures in respect of the compensation of Key Management Personnel; and
- Disclosures of transactions entered into between two or more members of a wholly-owned member of a group.

As the consolidated financial statements of Anthology Group Limited include the equivalent disclosures, the company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- The disclosures required by IFRS 7 and IFRS 13 regarding financial instrument disclosures have not been provided apart from those which are relevant for the financial instruments which are held at fair value and are not either held as part of trading portfolio or derivatives.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies.

ANTHOLOGY WEMBLEY PARADE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2020

1 Accounting policies

1.2 Going concern

Given the structure of the wider group and the company's operations, the company is reliant on the continued support of its intermediate parent, Anthology Group Limited ('Anthology'), to ensure the company has sufficient cash resources to enable it to meet its obligations as they fall due. The company has received a written commitment from Anthology that it will provide all financial support necessary to the company to enable it to meet its obligations as they fall due for a period no less than 12 months from the date of approval of these financial statements.

The directors have considered the ability of Anthology to provide that support. In doing so, the directors have conducted an in-depth review and prepared detailed cash flow forecasts taking into consideration the latest operating environment including the implications over Covid-19 for a period of at least 12 months from the date of approval of these financial statements in respect of Anthology and the group it heads. The board have stressed the latest forecast using a plausible but severe down-side scenario including a reduction in sales in the months following the year end, followed by a recovery to forecast sales rates over the following months. The Board has factored in the revision to payment terms from suppliers, actual savings in overheads and staff costs and the response from lenders to requests for changes to lending agreements. The down-side scenario only factors in financing arrangement terms that have already been contractually agreed. Those forecasts did not identify any concerns regarding the ability of Anthology to provide the necessary financial support to the company.

As a result, the directors therefore believe it is appropriate to adopt the going concern basis of accounting in the preparation of the Annual Report and financial statements.

1.3 Reporting period

On 11 December 2020 the company changed its reporting date from 30 September to 30 June. Consequently, these financial statements are prepared for a 9-month period from 1 October 2019 to 30 June 2020. The comparative information presented in these financial statements is for the 12-month period from 1 October 2018 to 30 September 2019.

1.4 Revenue

Revenue is generated from sale of individual residential homes, freeholds and leaseholds and from contracts for the construction of homes sold to affordable housing providers. Revenue arises solely in the UK and is stated net of value added tax.

Revenue from all revenue streams is recognised upon legal completion of contracts at which point the company's performance obligation is met. Revenue recognised is measured at the agreed contract price.

At Wembley Parade, private sales via the UK sales channel typically involve a reservation of £500 to £7,000, with 10%-20% of the contract price paid upon exchange, and the remainder and help-to-buy (HTB) paid upon completion. Private sales via the non-UK sales channel are structured in the same fashion but with a reservation typically being between £5,000 and £10,000. Sales for 'Social & affordable housing' are managed via a milestone contract with the relevant Housing Association.

ANTHOLOGY WEMBLEY PARADE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2020

1 Accounting policies

1.5 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs comprise land, development costs and attributable interest. Net realisable value is based on estimated selling price less cost to completion and disposal.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for sale.

1.6 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less.

1.7 Non-derivative financial instruments

Financial assets and financial liabilities are recognised in the balance sheet when the company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are only offset and the net amount reported in the balance sheet and statement of comprehensive income when there is a currently enforceable legal right to offset the recognised amounts and the company intends to settle on a net basis or realise the asset and liability simultaneously.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Financial assets that meet the following conditions are measured subsequently at amortised cost using effective interest rate method:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The company does not hold any financial assets that meet conditions for subsequent recognition at fair value through profit or loss (FVTPL) or at fair value through other comprehensive income (FVTOCI).

Impairment of financial assets

The company recognises a loss allowance for expected credit losses (ECL) on financial assets that are measured at amortised cost which comprise mainly other receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The company always recognises lifetime ECL on other receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

ANTHOLOGY WEMBLEY PARADE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2020

1 Accounting policies

Derecognition of financial assets

The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities

The classification of financial liabilities at initial recognition depends on the purpose for which the financial liability was issued and its characteristics. All purchases of financial liabilities are recorded on trade date, being the date on which the company becomes party to the contractual requirements of the financial liability. Unless otherwise indicated the carrying amounts of the company's financial liabilities approximate to their fair values. The company's financial liabilities consist only of financial liabilities measured at amortised cost.

Financial liabilities measured subsequently at amortised cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held for trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method. The company's financial liabilities measured at amortised cost comprise trade and other payables, and loans and borrowings. The effective interest method is a method of calculating the amortised cost of a financial asset/liability and of allocating interest income/expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash receipts/payments through the expected life of the financial asset/liability or, where appropriate, a shorter period.

Derecognition of financial liabilities

A financial liability (in whole or in part) is derecognised when the company has extinguished its contractual obligations, it expires or is cancelled. Any gain or loss on derecognition is taken to the statement of comprehensive income.

1.8 Equity instruments

Financial instruments issued by the company are treated as equity only to the extent that they do not meet the definition of a financial liability. Ordinary shares are classified as equity and are recorded at the proceeds received, net of direct issue costs.

1.9 Taxation

Tax on the profit or loss comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax

Current tax is the expected tax payable or receivable on the taxable profit or loss for the period/year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods.

Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

ANTHOLOGY WEMBLEY PARADE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2020

1 Accounting policies

Deferred tax

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

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 laws and rates that have been enacted or substantively enacted at the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

2 Change in accounting policy

New standards, amendments and interpretations effective in 2020

A number of new and amended standards and interpretations issued by IASB have become effective for the first time for financial periods beginning on (or after) 1 January 2019 and have been applied by the company in these financial statements. None of these new and amended standards and interpretations had a significant effect on the company because they are either not relevant to the company's activities or require accounting which is consistent with the company's current accounting policies.

New standards, amendments and interpretations that are not yet effective and have not been early adopted

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 and which have not been adopted early. None of these are expected to have a significant effect on the company, in particular:

- IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (Amendment – Definition of Material)
- IFRS 3 Business Combinations (Amendment – Definition of Business)
- IFRS 9, IAS 37 and IFRS 7: Interest rate benchmark reform
- Revised Conceptual Framework for Financial Reporting

3 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

ANTHOLOGY WEMBLEY PARADE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2020

3 Judgements and key sources of estimation uncertainty

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Recoverability of inventories

Inventories are stated at the lower of cost and net realisable value. Such inventories include land, work in progress and completed units. Residential development is largely speculative by nature and it is normal that not all inventories are covered by forward sales contracts. To assess the net realisable value of land held for development and sites in the course of construction and completed sites, the group maintains a financial appraisal of the likely revenue which will be generated when these inventories become residential properties for sale and are sold. Where the financial appraisal demonstrates that the revenue will exceed the costs of the inventories and other associated costs of constructing the residential properties, the inventories are stated at cost. Where the projected revenue is lower, the extent to which there is a shortfall is written off through the statement of comprehensive income leaving the inventories stated at net realisable value. To the extent that the revenues which can be generated change, or the final cost to complete for the site varies from estimates, the realisable value of inventories may be different. Appraisals take into account estimated achievable revenues, actual inventory and costs to complete as at each reporting date. These estimates are made by management having regard to actual sales prices, together with competitor and marketplace evidence. Should there be a future significant decline in UK house pricing, impairments of land, work in progress and completed sites may be necessary.

Critical judgements

The directors have determined that, in the preparation of the financial statements, no critical judgements have been applied.

4 Revenue

An analysis of the company's revenue is as follows:

	Period ended 30 June 2020	Year ended 30 September 2019
	£'000	£'000
Revenue analysed by class of business		
House sales	31,097	-
Social & affordable housing	26,600	-
	<u>57,697</u>	<u>-</u>

Revenue represents income from sale of individual residential homes, freeholds and leaseholds and from contracts for the construction of homes sold to affordable housing providers and arises entirely in the United Kingdom.

Contract assets and liabilities

Contract assets arise when the company has right to consideration in exchange for residential housing that it has transferred to a customer but not yet invoiced. The company did not have any contract assets at the reporting date (2019: none).

Contract liabilities arise when a customer pays consideration in advance before the residential housing is transferred to the customer. The company's contract liabilities are disclosed in note 12.

ANTHOLOGY WEMBLEY PARADE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2020

5 Auditor's remuneration

Audit fees payable to Deloitte LLP and their associates for the audit of the company's annual accounts were £17,500. The audit fee payable for the current period was borne by Lifestory Group Limited, a fellow group undertaking and not recharged. In the previous year (2019) audit fees of £10,000 were payable to KPMG LLP; these fees were borne by Anthology Group Limited, a fellow group undertaking, and not recharged.

Fees payable to Deloitte LLP and their associates for non-audit services to the company are not required to be disclosed because the consolidated financial statements of the parent company are required to disclose such fees on a consolidated basis.

6 Employees

The company had no employees other than directors in the current period and prior year. Directors were remunerated by London Real Estate Development Limited, a fellow group company and not recharged.

7 Finance income

	Period ended 30 June 2020	Year ended 30 September 2019
	£'000	£'000
Interest on bank deposits	3	-

8 Finance costs

	Period ended 30 June 2020	Year ended 30 September 2019
	£'000	£'000
Interest on bank loans	1,274	-
Interest payable to group undertakings	3	-
	1,277	-

Interest directly attributable to the construction of properties is capitalised within work in progress and released to the income statement in cost of sales as revenue is recognised until the development reaches practical completion. After practical completion interest is charged directly to finance costs.

9 Taxation

	Period ended 30 June 2020	Year ended 30 September 2019
	£'000	£'000
Current tax		
Adjustments in respect of prior periods	-	(68)

ANTHOLOGY WEMBLEY PARADE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2020

9 Taxation

	Period ended 30 June 2020	Year ended 30 September 2019
	£'000	£'000
Deferred tax		
Origination and reversal of temporary differences	-	264
Total tax charge	-	196

The actual charge for the period can be reconciled to the expected charge/(credit) for the period based on the profit or loss and the standard rate of tax as follows:

	Period ended 30 June 2020	Year ended 30 September 2019
	£'000	£'000
Profit/(loss) before taxation	4,115	(804)
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	782	(153)
Tax effect of expenses that are not deductible in determining taxable profit	-	1
Adjustments in respect of prior periods	-	(68)
Group relief surrendered	(782)	416
Transition adjustments on adoption of IFRS 15	-	(264)
Reversal of deferred tax asset on restatement under IFRS 15	-	264
Taxation charge for the period/year	-	196

Factors affecting future tax charge

UK corporation tax will increase to 25% from April 2023 which is expected to affect the company.

10 Inventories

	2020 £'000	2019 £'000
Work in progress	-	71,751
Finished goods	28,894	-
	<u>28,894</u>	<u>71,751</u>

Included within work in progress and finished goods is capitalised interest of £2,021,000 (2019: £4,299,000). Work in progress is expected to be recovered in more than 12 months.

The company's inventories are given as security against the company's borrowings.

Cost of inventories of £50,243,000 (2019: £nil) were recognised as an expense in the statement of comprehensive income upon sale of the related inventory.

ANTHOLOGY WEMBLEY PARADE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2020

11 Trade and other receivables

	2020 £'000	2019 £'000
Current assets		
Trade receivables	159	-
Amounts owed by parent company	1,423	-
Other receivables	226	226
Prepayments	49	1,119
	<u>1,857</u>	<u>1,345</u>

Within the group headed by Anthology Group Limited intercompany balances are unsecured, payable on demand, and incur interest at 8.5% per annum.

12 Trade and other payables

	Notes	2020 £'000	2019 £'000
Current liabilities			
Trade payables		255	102
Contract liabilities	4	232	28,211
Amounts owed to parent company		-	621
Accruals		3,614	4,475
		<u>4,101</u>	<u>33,409</u>

Within the group headed by Anthology Group Limited intercompany balances are unsecured, payable on demand, and incur interest at 8.5% per annum.

13 Borrowings

	2020 £'000	2019 £'000
Secured bank loans	<u>16,500</u>	<u>30,254</u>
Payable within one year	<u>16,500</u>	<u>30,254</u>

During the prior year an amount of the loan from parent company in the amount of £11,286,000 was converted into the company's equity through issue of the company's 1 ordinary share of £1.

Secured bank loans comprise £34.5 million loan facility from GLA Land and Property ("GLA"), the facility is used to fund the existing property development, is secured over freehold and bears interest at a fixed rate of 5.25%. On 24 February 2020, the facility was extended from March 2020 to March 2021. This was repaid in full in November 2020 as part of the refinance provided by the Laxfield loan as disclosed in note 17.

ANTHOLOGY WEMBLEY PARADE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2020

14 Share capital and reserves

	2020	2019
	£	£
Ordinary share capital		
Issued and fully paid		
3 ordinary shares of £1 each	3	3

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company.

Reserves

Share premium reserve - relates to amounts subscribed for share capital in excess of nominal value.

Capital contribution reserve - relates to contributions made by the parent company to the equity of the company without issuance of shares.

Retained earnings - retained earnings comprise all other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere.

15 Related party transactions

The company has taken advantage of the disclosure exemption available under FRS 101 paragraph 8(k) not to disclose transactions entered into between two or more wholly owned members of a group.

16 Ultimate controlling party

The company's immediate holding company is Anthology Group Limited and the ultimate holding company and controlling party is Brookfield Asset Management Inc.

Anthology Group Limited, a company incorporated in the United Kingdom, is the parent of the smallest group, of which Anthology Wembley Parade Limited is a member, to prepare consolidated financial statements. The consolidated financial statements can be obtained from its registered address of Lifestory Group Limited: Royal Court, Kings Worthy, Winchester, Hampshire, SO23 7TW.

Brookfield Asset Management Inc, a company incorporated in Canada, is the parent of the largest group, of which Anthology Wembley Parade Limited is a member, to prepare consolidated financial statements. The consolidated financial statements can be obtained from its registered address: Suite 300, Brookfield Place, 181 Bay Street, Toronto, Canada M5J 2T3.

17 Subsequent events

The impact of the Covid 19 outbreak has become more stable with the rollout of the vaccination programme. The situation is being monitored and government's guidelines are being followed and communicated to staff. At the date of this report all of the customer operations staff at our developments had received a vaccination as well as the majority of our residents. At this stage we have seen sales steadily build since the first lockdown, but management will continue to monitor closely during any further lockdown events.

The GLA Land and Property loan, with a remaining balance of £16.5m and a repayment date of March 2021, was fully repaid in November 2020 as part of the refinance provided by the Laxfield loan. The Laxfield loan was completed to refinance the unsold stock at Deptford Foundry and Wembley Parade, with a facility of £53.4m from Laxfield LLP for a 3-year term. £51.8m has been drawn from this loan, the company is liable for £14.7m, with Anthology Deptford Foundry Limited liable for the remaining £37.1m.