Housing Growth Partnership Limited

(England & Wales: 09504850)

Financial Statements

For the year ended 31 March 2018

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GENERAL INFORMATION

Directors	A Hulme J Feeney (resigned 6 February 2018) D Meredith Jones (appointed 6 February 2018) AJ Wheldon (appointed 6 February 2018) K Packard (appointed 17 April 2018)
Secretary	P Gittins
Registered Office	C/o Lloyds Banking Group Plc 25 Gresham Street London, EC2V 7HN
Investment Manager	Housing Growth Partnership Manager Limited C/o Lloyds Banking Group Plc 25 Gresham Street London, EC2V 7HN
Solicitors	Pinsent Masons LLP 30 Crown Place London, EC2A 4ES
Bankers	Lloyds Banking Group Plc 25 Gresham Street London, EC2V 7HN
Independent Auditors	PricewaterhouseCoopers LLP 7 More London Riverside London, SE1 2RT
Fund Administrators	Langham Hall UK Services LLP 5th Floor 5 Old Bailey London, EC4M 7BA

DIRECTORS' REPORT

The Directors submit their report together with the audited financial statements of Housing Growth Partnership Limited ("the Company") for the year ended 31 March 2018.

The Company was incorporated on 23 March 2015. The company is limited by shares, as per the certificate of incorporation filed on companies house.

Dividends

No dividends were paid or proposed during or in respect of the year ended 31 March 2018 (2017: nil).

Business Review

The Company is an investment holding company with investments in subsidiaries, joint ventures and associates.

The profit for the year 31 March 2018 was £10,129 (2017: £893,091 loss). The total assets as at 31 March 2018 were £8,015,273 (2017:£9,727,103). The decrease in assets includes a reduction in investments of £1,535,287 (2017: increase £7,229,253). The directors are satisfied with the financial position of the company.

Going Concern

As set out in Note 2 'Going concern – Principles underlying going concern assumption' of the notes to the financial statements, the directors are satisfied that the Company has adequate resources to continue in business for the foreseeable future and consequently the going concern basis continues to be appropriate in preparing the financial statements.

Directors

The directors of the Company who were in office during the year end and up to the date of signing the financial statements are shown on page 3.

Directors' indemnities

Lloyds Banking Group Plc has granted to the Directors of the Company, (including former Directors who resigned during the year), a deed of indemnity through deed poll which constituted 'qualifying third party indemnity provisions' for the purposes of the Companies Act 2006. The deed was in force during the whole of the financial year and at the date of approval of the financial statements (or from the date of appointment in respect of the Directors who joined the Board of the Company during the financial year). Directors no longer in office but who served on the Board of the Company at any time in the financial year had the benefit of this contract of indemnity during that period of service. The indemnity remains in force for the duration of a Director's period of office. The deed indemnifies the Directors to the maximum extent permitted by law. The Deed for existing Directors is available for inspection at the registered office of Lloyds Banking Group Plc. In addition, Lloyds Banking Group Plc has in place appropriate Directors and Officers Liability Insurance cover which was in place throughout the financial year.

Statement of Directors' Responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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.

DIRECTORS' REPORT (Continued)

Statement of Directors' Responsibilities (continued)

To prepare the financial statements, the directors are required to:

• select suitable accounting policies and then apply them consistently;
• state whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements;
• make judgements and accounting estimates that are reasonable and prudent; 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 also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors 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.

Basis of Preparation

This Report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.
The company has taken the exemption under section 414B of the Companies Act 2006 for the requirements to prepare a Strategic Report for the financial year.

Financial Risk Management Objectives and Policies

The Company is exposed to a variety of financial risks as a result of its activities. These risks include market risk (including changes in asset values), credit risk and liquidity risk. These risks have been considered by the directors in forming their judgement to adopt a going concern basis in preparing the financial statements of the Company. These risks are further detailed in note 4.

Employees

The Company has no employees (2017: nil). The key management personnel have been identified as the directors of Housing Growth Partnership Limited. The directors received no remuneration for their services to the Company.

Disclosure of Information to the Auditors

Each of the persons who is a director at the date of this report confirms that:
• as far as each of them is aware, there is no information relevant to the audit of the Company's financial statements for the year ended 31 March 2018 of which the auditors are unaware; and
• the director has taken all steps that he ought to have taken in his duty as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditor aware of that information.

This confirmation is given and should be interpreted in accordance with provisions of section 418 of the Companies Act 2006.

Independent Auditors

PricewaterhouseCoopers LLP are deemed to be re-appointed as auditor under section 487(2) of the Companies Act 2006.
Approved by the board of directors and signed on its behalf by:

....

Director
25 September 2018

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HOUSING GROWTH PARTNERSHIP LIMITED

Report on the audit of the financial statements

Opinion

In our opinion, Housing Growth Partnership Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Financial Statements (the "Annual Report"), which comprise: the statement of financial position as at 31 March 2018; the statement of comprehensive income, the statement of cash flows, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the 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.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HOUSING GROWTH PARTNERSHIP LIMITED (Continued)

Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 March 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

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 auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Jonathan Hinchliffe (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
27 September 2018

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2018

	Note	Year Ended 31 March 2018 £	Year Ended 31 March 2017 £
Finance income	6	-	321
Administrative expenses	5	10,083	(893,199)
Finance costs	6	46	(213)
Profit/(loss) before tax		**10,129**	**(893,091)**
Taxation	14	-	-
Total comprehensive profit/(loss) for the year		**10,129**	**(893,091)**

The accompanying Notes on pages 12 to 20 form an integral part of these Financial Statements.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2018

ASSETS	Note	As at 31 March 2018 £	As at 31 March 2017 £
Non-current assets			
Investment in subsidiaries	7	4,694,995	4,694,995
Investments in associates and joint ventures	8	3,000,080	4,535,367
Total non-current assets		**7,695,075**	**9,230,362**
Current assets			
Trade and other receivables	9	295,597	56,116
Cash and cash equivalents	10	24,601	440,625
Total current assets		**320,198**	**496,741**
Total assets		**8,015,273**	**9,727,103**
EQUITY AND LIABILITIES			
Equity			
Share capital	15	100	100
Accumulated losses		(3,832,702)	(3,842,831)
Total equity		**(3,832,602)**	**(3,842,731)**
Non-current liabilities			
Loans and borrowings	13	11,821,383	13,537,404
Trade and other payables	11	-	-
Total non-current liabilities		**11,821,383**	**13,537,404**
Current liabilities			
Trade and other payables	11	26,492	32,430
Total current liabilities		**26,492**	**32,430**
Total equity and liabilities		**8,015,273**	**9,727,103**

These financial statements have been prepared in accordance with The Companies Act 2006 as applicable to companies using IFRS.

The accompanying Notes on pages 12 to 20 form an integral part of these Financial Statements.

The Financial Statements on pages 8 to 20 were approved by the Board on 24.07.18

Signed for and on behalf of the Board of Directors

Director

STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDED 31 MARCH 2018

	Share capital	Accumulated losses	Total equity
	£	£	£
As at 1 April 2016	**100**	**(2,949,740)**	**(2,949,640)**
Total comprehensive loss for the year	-	(893,091)	**(893,091)**
Balance as at 31 March 2017	**100**	**(3,842,831)**	**(3,842,731)**
Total comprehensive loss for the year	-	10,129	**10,129**
Balance as at 31 March 2018	**100**	**(3,832,702)**	**(3,832,602)**

The accompanying Notes on pages 12 to 20 form an integral part of these Financial Statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2018

	Year ended 31 March 2018 £	Year ended 31 March 2017 £
Operating activities		
Profit/ (Loss) before tax	10,129	(893,091)
(Increase)/decrease in receivables	(239,482)	2,944,014
Decrease in payables	(5,938)	(155,680)
Net cash flow (used in)/generated from operating activities	**(235,291)**	**1,895,243**
Investing activities		
Payments for associates, joint ventures and subsidiaries	-	(30)
Loans repaid by/(advanced to) associates and joint ventures	1,535,287	(5,924,576)
Loans advanced to subsidiaries	-	(1,304,647)
Net cash flow generated from/(used in) investment activities	**1,535,287**	**(7,229,253)**
Financing activities		
Repayment of borrowings	(1,716,021)	-
Proceeds from borrowings	-	3,836,053
Net cash flow (used in)/generated from financing activities	**(1,716,021)**	**3,836,053**
Net decrease in cash and cash equivalents	**(416,025)**	**(1,497,957)**
Cash and cash equivalents at the beginning of the year	440,625	1,938,582
Cash and cash equivalents at the end of the year	**24,600**	**440,625**

The accompanying Notes on pages 12 to 20 form an integral part of these Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1 GENERAL INFORMATION

The Company is incorporated and domiciled in the United Kingdom. The registered office is located at C/o Lloyds Banking Group Plc 25 Gresham Street, London, EC2V 7HN.

The Company's activity is to make, hold, monitor and realise investments, being principally equity and equity-related investments in projects developed in conjunction with UK based house builders. The Company seeks to support the regional housebuilding community in growing its capacity and increasing the number of new homes built.

2 ACCOUNTING POLICIES

a) Basis of preparation

The financial statements of the Company have been prepared on a going concern basis, applying the historical cost basis. The financial statements are presented in Great British Pounds (£). The financial statements have been prepared in accordance with The Companies Act 2006 as applicable to companies using International Financial Reporting Standards (IFRSs) as issued by the IFRS Interpretations Committee (IFRS IC) and as adopted by the European Union.

These financial statements are prepared for the year from 1 April 2017 to 31 March 2018.

These separate Financial Statements contain information about the Company only and do not contain consolidated financial information. The Company has taken advantage of the exemptions under IFRS 10 Consolidated Financial Statements, IAS 28 Investments in Associates and Joint Ventures and Section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements and from accounting for its equity investments in joint ventures by the equity method. The Company and its investees are included in the consolidated Financial Statements of the Company's ultimate parent company.

The Company has adopted all the Standards and Interpretations issued by the International Accounting Standards Board (the IASB) and the IFRS Interpretations Committee (IFRS IC) of the IASB that are relevant to its operations and effective for accounting periods beginning from 1 April 2017.

b) Cash flow statement

The Company reports cash flows from operating acitivies using the indirect method. Interests received and paid are presented within financing cash flows.

c) New and amended standards adopted by the Company

The following standards and amendments are relevant and have been adopted by the Company for the first time for the financial year beginning on 1 April 2018.

Amendment to IFRS 11, 'Accounting for acquisitions of interests in joint operations', relates to the initial acquisition of an interest in joint operation and the acquisition of an additional interest in a joint operation. The amendment has no material impact on the Company's financial statements.

Amendments to IAS 7 'Statement of Cash Flows' intend to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non cash changes.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (Continued)

2 ACCOUNTING POLICIES (Continued)

d) New standards, amendments and interpretations issued but not yet effective

As at 31 March 2018, the following new or amended standards and interpretations, which have not been applied in these financial statements, had been issued by the International Accounting Standards Board (IASB) but are yet to become effective.

Standard / interpretation	Content	Applicable for financial years beginning on/after
IFRS 9	Financial Instruments	1 January 2018
IFRS 15	Revenue from Contracts with Customers	1 January 2018
IFRS 16	Leases	1 January 2019
Amendments to:		
IAS 28	Investments in Associates and Joint Ventures	1 January 2019

The assessment for the adoption of IFRS 9 is ongoing, as the Company plans to adopt for the year beginning 1 April 2018, which may impact both the measurements and disclosures of financial instruments. The adoption of IFRS 15 and IFRS 16 are not expected to impact on the Company's financial statements.

e) Going concern – Principles underlying going concern assumption

The Directors are satisfied that it is the intention of Housing Growth Partnership LP that its subsidiaries, including the Company, will continue to have access to liquidity and capital resources for the foreseeable future and, accordingly, the financial statements have been prepared on a going concern basis.

f) Investment in associates, joint ventures and subsidiaries

Investments in associates, joint ventures and subsidiaries are initially recognised at cost and held at cost less any adjustments required by annual impairment reviews.

g) Trade and other receivables

Trade and other receivables are recognised and carried at the lower of their original invoiced value and recoverable amount. Where the time value of money is material, receivables are carried at amortised cost. Provision is made when there is objective evidence that the Company will not be able to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote.

h) Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position comprise cash in hand and at bank.

i) Loans and Borrowings

All loans and borrowings are initially recognised at fair value less directly attributable transaction costs. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

j) Trade and other payables

Trade and other payables are recognised and carried at amortised cost. Where the time value of money is material, payables are subsequently carried at amortised cost. Generally this results in their recognition at their nominal value.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (Continued)

2 ACCOUNTING POLICIES (Continued)

k) Taxation

Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in Other Comprehensive Income (OCI).
Current tax represents the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustments to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is not recognised for the following temporary differences:

- the initial recognition of assets and liabilities in a transaction that is not a business combination, which affects neither accounting nor taxable profits or losses; and
- investments in subsidiaries where the Company controls the timing of the reversal of temporary differences and it is probable that these differences will not reverse in the foreseeable future.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of the asset or liability and is not discounted.
Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the unused tax losses and other temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Company's Financial Statements requires the Directors to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected.

Accruals and provisions

Estimates relating to the Company are accruals for management fee and administration expenses. The directors monitor the level of expenditure incurred against the Company's service agreements and accruals are provided for when necessary.

Impairment of investments

Impairment of the Company's investments is a key source of estimation uncertainty; however, in accordance with the accounting policy of the Company, investments are initially recognised at cost and held at cost less any adjustments required by annual impairment reviews.

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company is exposed to a variety of financial risks as a result of its activities. These risks include market risk (including changes in asset values), credit risk and liquidity risk. These risks have been considered by the Directors in forming their judgement to adopt a going concern basis in preparing the financial statements of the Company.

a) Market risk

The Company is affected by the performance of the UK housing market, which affects the valuation of the Company's non-financial assets. Market risk is managed by having a valuation review process, which looks at costs incurred, costs to complete and sales proceeds for individual investments.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (Continued)

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company has not yet made any sales and its exposure to credit risk is therefore limited to cash deposits with banks and financial institutions.

c) Liquidity risk

The Company monitors its risk of a shortage of funds using detailed cash flow monitoring. Liquidity risk is managed by ensuring that the level and maturity of shareholder loans used to finance the investments matches the forecast operational or capital cash flows from its portfolio.

The maturity analysis of financial liabilities is as follows:

As at 31 March 2018	Less than 1 year	From 1 to 5 years	After 5 years	TOTAL
	£	£	£	£
Financial liabilities				
Loans and borrowings	-	-	11,821,383	11,821,383
Trade and other payables	26,492	-	-	26,492
	26,492	-	11,821,383	11,847,875

As at 31 March 2018	Less than 1 month	From 1 to 3 months	From 3 to 12 months	TOTAL
	£	£	£	£
Financial liabilities				
Trade and other payables	-	-	26,492	26,492
	-	-	26,492	26,492

As at 31 March 2017	Less than 1 year	From 1 to 5 years	After 5 years	TOTAL
	£	£	£	£
Financial liabilities				
Loans and borrowings	-	-	13,537,404	13,537,404
Trade and other payables	32,430	-	-	32,430
	32,430	-	13,537,404	13,569,834

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (Continued)

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

c) Liquidity risk (Continued)

As at 31 March 2017	Less than 1 month	From 1 to 3 months	From 3 to 12 months	TOTAL
	£	£	£	£
Financial liabilities				
Trade and other payables	-	32,430	-	32,430
	-	**32,430**	**-**	**32,430**

5 ADMINISTRATIVE EXPENSES

	Year ended 31 March 2018	Year ended 31 March 2017
	£	£
Management fees	-	807,208
Irrecoverable VAT	(1,680)	14,082
Audit fees	15,105	15,107
Other	(23,508)	56,802
Total administrative expenses	**(10,083)**	**893,199**

Other relates in part to over accruals of expenses that should have been covered by Housing Growth Partnership Manager Ltd in the previous year, which have now been reversed.

6 FINANCE INCOME / (COSTS)

	Year ended 31 March 2018	Year ended 31 March 2017
	£	£
Interest Income	-	321
Finance Income	**-**	**321**
Interest Expense	47	(213)
Finance Costs	**47**	**(213)**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (Continued)

7 INVESTMENT IN SUBSIDIARIES

	Loans	Capital	Total
	£	£	£
As at 1 April 2017	4,694,970	25	4,694,995
As at 31 March 2018	**4,694,970**	**25**	**4,694,995**

The Company has the following significant holdings:

Name	Registered Office	% interest held	Nature of relationship	Cost £
Brington North Hold Co Limited	25 Gresham Street, London, EC2V 7HN	100%	Subsidiary	4,694,995

8 INVESTMENT IN ASSOCIATES AND JOINT VENTURES

	Loans	Capital	Total
	£	£	£
As at 1 April 2017	4,535,287	80	4,535,367
Repayment of Loan	(1,535,287)	-	(1,535,287)
As at 31 March 2018	**3,000,000**	**80**	**3,000,080**

During the year ending 31 March 2018 repayment of shareholder loan was made from Devonshire Homes (Cullompton) Limited.

Set out below are the associates and joint ventures of the group as at 31 March 2018, which, in the opinion of the directors, are material to the group. The associates and joint ventures as listed below have share capital consisting solely of ordinary shares and non-interest-bearing shareholder loans, which are held directly by the group; the country of incorporation or registration is also their principal place of business.

Name	Registered Office	% interest held	Nature of relationship	Cost £
Devonshire Homes (Cullompton) Limited	Devonshire House, Lowman Green, Tiverton, Devon, EX16 4LA	50%	Joint venture	50
AMA (Slateford) Limited	15 Coates Crescent, Edinburgh, EH3 7AF	30%	Associate	3,000,030
				3,000,080

During the year ending 31 March 2018, none of the Company's associates and joint ventures were impaired.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (Continued)

9 TRADE AND OTHER RECEIVABLES

	As at 31 March 2018	As at 31 March 2017
	£	£
Other receivable	100	100
Amounts due from undertakings	295,497	56,016
Total trade and other receivables	**295,597**	**56,116**

There were no past due or impaired receivables as at 31 March 2018 (2017: nil).

10 CASH AND CASH EQUIVALENTS

	As at 31 March 2018	As at 31 March 2017
	£	£
Cash at bank	24,601	440,625
Total cash and cash equivalents	**24,601**	**440,625**

11 TRADE AND OTHER PAYABLES

	As at 31 March 2018	As at 31 March 2017
	£	£
Other payables	-	6,225
Accruals	26,492	26,205
Total trade and other payables	26,492	32,430

12 TRANSACTIONS WITH RELATED PARTIES

Investments in subsidiaries are related parties and are detailed in note 7.

Investments in joint venture and associates are related parties and are detailed in note 8.

During the year the Company incurred management fees of £nil (2017: £807,208). As at year end the amount of £288 due from Housing Growth Partnership Manager Ltd was outstanding (2017: £17,838 receivable) and included within trade and other payables.

The Company's cash and cash equivalents balance is held with Lloyds Bank Plc.

Transactions with key management personnel

There were no transactions between the Company or its subsidiaries with key management personnel during the current year. Key management personnel are employed by other companies in Lloyds Banking Group Plc and consider that their services to the Company are incidental to their other activities within Lloyds Banking Group Plc. The directors' emolument was therefore £nil (2017: £nil).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (Continued)

12 TRANSACTIONS WITH RELATED PARTIES (Continued)

Transactions with Housing Growth Partnership LP

During the year amounts due from Housing Growth Partnership LP related to due diligence costs of joint ventures, legal advice and management fee. The outstanding receivable at the end of the year was £273,464 (2017: £38,178).

Key management compensation

The members of the Board of Directors are considered to be the key management of the Company.

There are no amounts receivable from or payments due to memebers of the Board of Directors.

13 LOANS AND BORROWINGS

Lender	As at 31 March 2018	As at 31 March 2017
	£	£
Housing Growth Partnership LP	11,821,383	13,537,404
	11,821,383	13,537,404

14 TAXATION

A reconciliation between tax charge and the product of profit/(loss) before tax multiplied by the standard rate is as follows:

	Year Ended 31 March 2018	Year Ended 31 March 2017
	£	£
Profit/Loss before tax	10,129	(893,091)
Tax on profit/(loss) at standard UK tax rate of 19% (2017: 20%)	1,925	(178,618)
Effects of:		
Expenses not deductible	-	6,966
Amounts not recognised - deferred tax benefit	(1,925)	171,652
Tax charge for the year	-	-

The standard rate of corporation tax in the UK is 19% with effect from 1 April 2017. Accordingly the Company's profits for this accounting year are taxed at an effective rate of 19% (2017: 20%).

Factors that may affect future tax charges

The Government announced, in the 2015 Summer Budget, that the main rate of UK corporation tax will fall to 19% from 1 April 17 and further to 18% from 1 April 2020. The 2016 Finance Bill announced a further reduction in tax rates to 17% from 1 April 2020. This change was substantively enacted in September 2016 and will affect any future cash tax payable.

A deferred tax asset has not been recognised in respect of excess management expenses of £3,478,500 (2017: £3,488,633) carried forward as there are no predicted future taxable profits against which the unrelieved management expenses can be utilised.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (Continued)

15 SHARE CAPITAL

	As at 31 March 2018	As at 31 March 2017
	£	£
100 (2017: 100) ordinary shares issued and not fully paid of £1 each	100	100
	100	**100**

The number of issued share capital remains unpaid at the end of the year.

16 PARENT UNDERTAKING AND ULTIMATE HOLDING COMPANY

The parent of the Company is Housing Growth Partnership LP. The company regarded as the ultimate parent company and controlling party is Lloyds Banking Group Plc (incorporated in Scotland), which is also the parent undertaking of the smallest group of undertakings for which group financial statements are drawn up and of which the Company is a member. Copies of the group financial statements may be obtained from Group Secretariat, Lloyds Banking Group Plc, 25 Gresham Street, London, EC2V 7HN.

On 13 October 2017 the parent undertaking of the immediate parent company changed from Lloyds Bank Plc to LBG Equity Investments Limited. There have been no other changes to the structure.

17 NOTES SUPPORTING STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2018

a) Reconciliation of liabilities arising from financing activities

	Year Ended 31 March 2017	Cash flows	Year Ended 31 March 2018
Loans and borrowings	13,537,404	(1,716,021)	11,821,383
Total loans and borrowings	13,537,404	(1,716,021)	11,821,383