Company Registration No. 10246508 (England and Wales)

ANTHOLOGY STRATFORD MILL LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2020

ANTHOLOGY STRATFORD MILL LIMITED

COMPANY INFORMATION

Directors	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)
Secretary	Mr Jeremy Williams	
Company number	10246508	
Registered office	Unit 3 Royal Court Church Green Close Kings Worthy Winchester Hampshire United Kingdom SO23 7TW	
Auditor	Deloitte LLP London United Kingdom	

ANTHOLOGY STRATFORD MILL LIMITED

CONTENTS

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 in order 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 that of 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 7. A loss of £782,000 (2019: £41,000) was recognised in the period as construction continued towards the delivery of 75 homes and commercial space for phase 1 of the project. Phase 2 remained in the pre-planning stage during the period, an update on the status of planning permissions can be seen in the subsequent events section below.

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. With the increased possibility of insolvency brought about by Covid 19 and Brexit in the build and supply chain the company has increased the scrutiny and performance measurement of partners and contractors. These measures provide an early warning mechanism allowing the company to take any avoidance measures.

Since the period end the facility held with GLA Land and Property, with £18.9m outstanding at the period end, has been increased to £38.1m from £27.9m, and the repayment date amended to March 2022. These changes are contingent on planning permissions.

In June 2021 the parent undertaking, Anthology Group Limited, supported their commitment to the group by capitalising an amount owed in loans, standing at £3,222,636, to new share capital. One new ordinary share of £1 was issued and a share premium arose of £3,222,635. This debt-to-equity swap has further strengthened the balance sheet.

Since the period end initial planning applications submitted for phase 2 of the Stratford Mill site were refused. Management is planning to submit a revised application for permissions for a reduced scheme in order to address the previous reasons for refusal.

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.

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.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

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

....

Mr Mark Dickinson
Director

Date: 19|07|21

ANTHOLOGY STRATFORD MILL 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 STRATFORD MILL LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ANTHOLOGY STRATFORD MILL LIMITED

Opinion
In our opinion the financial statements of Anthology Stratford Mill 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 loss 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 14.

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.

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 directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has 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 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; or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

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 STRATFORD MILL LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 30 JUNE 2020

	Notes	Period ended 30 June 2020 £'000	Year ended 30 September 2019 £'000
Revenue		-	-
Cost of sales		(782)	(41)
Gross loss		(782)	(41)
Loss before taxation		(782)	(41)
Tax on loss	6	-	-
Loss for the financial period / year		(782)	(41)
Total comprehensive expense for the period / year		(782)	(41)

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

The accompanying notes on pages 10 - 18 form an integral part of these financial statements.

ANTHOLOGY STRATFORD MILL LIMITED

BALANCE SHEET

AS AT 30 JUNE 2020

		30 June 2020		30 September 2019	
	Notes	£'000	£'000	£'000	£'000
Current assets					
Inventories	7	35,374		21,971	
Trade and other receivables	8	555		292	
Cash and cash equivalents		199		218	
		36,128		22,481	
Total assets			36,128		22,481
Current liabilities					
Trade and other payables	9	(16,411)		(9,187)	
		(16,411)		(9,187)	
Non-current liabilities					
Borrowings	10		(18,900)		(11,695)
Total liabilities			(35,311)		(20,882)
Net assets			817		1,599
Equity					
Share capital	11		-		-
Share premium	11		1,644		1,644
Retained earnings	11		(827)		(45)
Total equity			817		1,599

The accompanying notes on pages 10 - 18 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. 10246508

ANTHOLOGY STRATFORD MILL LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 30 JUNE 2020

	Notes	Share capital £'000	Share premium £'000	Retained earnings £'000	Total equity £'000
Balance at 1 October 2018		-	-	(4)	(4)
Year ended 30 September 2019:					
Loss and total comprehensive expense for the year		-	-	(41)	(41)
Transactions with owners					
Conversion of loans	10	-	1,644	-	1,644
Balance at 30 September 2019		-	1,644	(45)	1,599
Period ended 30 June 2020:					
Loss and total comprehensive expense for the period		-	-	(782)	(782)
Balance at 30 June 2020		-	1,644	(827)	817

The accompanying notes on pages 10 - 18 form an integral part of these financial statements.

1 Accounting policies

Company information
Anthology Stratford Mill 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;
- 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.

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 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.

1.5 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 Accounting policies

1.6 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.

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.

1 Accounting policies

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.

1.7 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.

1.8 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.

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.

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.

3 Judgements and key sources of estimation uncertainty

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

4 Auditor's remuneration

Audit fees payable to Deloitte LLP and their associates for the audit of the company's annual accounts were £11,000. These fees were 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.

5 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.

6 Taxation

	Period ended 30 June 2020 £'000	Year ended 30 September 2019 £'000
Current tax		
UK corporation tax on profits for the current period	(149)	(8)
Group tax relief	149	8
Total current tax	-	-

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

	Period ended 30 June 2020 £'000	Year ended 30 September 2019 £'000
Loss before taxation	(782)	(41)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	(149)	(8)
Group relief surrendered	149	8
Taxation charge for the period	-	-

Factors affecting future tax charge
UK corporation tax will increase to 25% from April 2023 which is not expected to significantly affect the company.

7 Inventories

	2020 £'000	2019 £'000
Work in progress	35,374	21,971

Included within work in progress is capitalised interest of £2,745,000 (2019: £732,000). Work in progress is expected to be recovered in more than 12-months; and is given as security for the company's borrowings.

8 Trade and other receivables

	2020 £'000	2019 £'000
Current assets		
Other receivables	424	229
Prepayments	131	63
	555	292

9 Trade and other payables

	2020	2019
	£'000	£'000
Current liabilities		
Trade payables	782	-
Contract liabilities	1,493	-
Amounts owed to fellow subsidiary	114	-
Amounts owed to parent company	10,933	8,443
Accruals	3,089	744
	16,411	9,187

Within the group headed by Anthology Group Limited intercompany balances are unsecured, payable on demand, and incur interest at 8.5% per annum. The exception being £7,916,000 (2019: £8,443,000) included within amounts owed to parent company which incurs interest at LIBOR plus 1% margin.

10 Borrowings

	2020	2019
	£'000	£'000
Loan from parent company	-	1,936
Secured bank loans	18,900	9,759
	18,900	11,695
Payable after one year	18,900	11,695

During the prior year an amount of the loan from the parent company in the amount of £1,644,000 was converted into the company's equity through issue of the company's 1 ordinary share of £1.

On 5 December 2018, the company signed a loan agreement for £27,905,000 with GLA Land and Property Limited and £10,127,000 was subsequently drawn on 7 December 2018. The loan was repayable on 31 December 2022; but the repayment date was changed to 31 March 2022. The loan carries a fixed rate of interest of 6.5%, is secured over the company's assets, and there is a £10.0m novation on the facility. Since the period end the facility held with GLA Land and Property has been increased to £38.1m, and the repayment date amended to March 2022, pending the outcome of a planning submission.

11 Share capital and reserves

	2020	2019
	£	£
Ordinary share capital		
Issued and fully paid		
2 ordinary shares of £1 each	2	2

11 Share capital and reserves (continued)

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.

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

12 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.

13 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 Stratford Mill 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 Stratford Mill Works 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.

14 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. With the increased possibility of insolvency brought about by Covid 19 and Brexit in the build and supply chain the company has increased the scrutiny and performance measurement of partners and contractors.. These measures provide an early warning mechanism allowing the company to take any avoidance measures.

Since the period end the facility held with GLA Land and Property, with £18.9m outstanding at the period end, has been increased to £38.1m from £27.9m, and the repayment date amended to March 2022. These changes are contingent on planning permissions.

In June 2021 the parent undertaking, Anthology Group Limited, supported their commitment to the group by capitalising an amount owed in loans, standing at £3,222,636, to new share capital. One new ordinary share of £1 was issued and a share premium arose of £3,222,635. This debt-to-equity swap has further strengthened the balance sheet.

Since the period end initial planning applications submitted for phase 2 of the Stratford Mill site were refused. Management is planning to submit a revised application for permissions for a reduced scheme in order to address the previous reasons for refusal.