

**TRILLIUM HOLDINGS LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2021**

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COMPANIES HOUSE

## **TRILLIUM HOLDINGS LIMITED**

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## **TRILLIUM HOLDINGS LIMITED**

### **GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2021**

The directors present their Strategic Report for Trillium Holdings Limited (the "company") and its subsidiaries (together, the "group") for the year ended 31 March 2021. The directors, in preparing this Strategic Report, have complied with s414C of the Companies Act 2006.

#### **Principal activities and business review**

The principal activity of the company is that of a holding company. The group is principally engaged in the ownership and management of a portfolio of properties based in the UK. The group's principal tenants are public sector and large corporate organisations. The group operates in two main areas: long-term property partnerships and investments. The main property partnership contracts are as follows:

A 25 year corporate outsourcing contract with Aviva to manage and improve its core occupational estate. The range of services provided includes planned and reactive maintenance, life-cycle capital expenditure and capital projects.

A 20 year outsourcing contract with the Driver and Vehicle Licensing Agency ("DVLA") incorporating life-cycle capital expenditure, estates management and facilities management across its entire UK property estate.

Certain subsidiaries of the group, together with members of the wider Telereal Trillium group of companies, provide property management services through the leasing of specialised and general purpose properties to British Telecommunications Plc ("BT").

Until 31 March 2018 the group provided property and other services to the Department for Work and Pensions ("DWP") under a 20 year contract, which ended on 31 March 2018, designed to outsource all aspects of ownership and operation of the occupational property estate of the DWP. During the year, the group reached a final settlement on a number of matters with the DWP, including the receivable for furniture and equipment which the DWP acquired on 31 March 2018. The group remains the DWP's landlord in those properties owned by the group which the DWP continues to occupy.

In addition, the group owns a portfolio of leasehold and freehold properties previously owned by the Royal Mail Group. Royal Mail occupies the space it requires in these buildings and the company manages the subtenants and vacant space. The group has continued in the period to hold leaseholds and freeholds and receive rentals from Royal Mail and subtenants.

The group reported turnover in the year of £114,999,000 (2020: £126,818,000).

Operating profit after property disposals and revaluations was £22,172,000 (2020: operating loss of £12,594,000). The group's properties were revalued at 31 March 2021, resulting in a net loss in the consolidated Statement of Comprehensive Income of £2,832,000 (2020: £2,051,000). The group recognised a loss on disposal of properties was £559,000 (2020: £4,569,000).

The group reported net finance income for the year of £34,365,000 (2020: £37,104,000).

The group reported total comprehensive income for the year of £48,393,000 (2020: £14,747,000).

At 31 March 2021, the group's total equity was £907,846,000 (2020: £1,025,413,000), a decrease of £117,567,000 since the prior year.

At the year end, the group's non-controlling interest was £nil (2020: £1,026,000).

## **TRILLIUM HOLDINGS LIMITED**

### **GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021**

#### **Principal activities and business review (continued)**

##### **Going concern and COVID-19**

The group has net assets of £907,846,000 at 31 March 2021.

As at the date of signing these financial statements, the COVID-19 outbreak has caused significant disruption to the UK economy. The group's income is derived from its portfolio of investment and trading properties and from its long-term property partnerships with the DVLA, Aviva, Royal Mail and BT. The group has continued to receive contractual income from its outsourcing contracts with these large organisations as well as rental income on its properties in the period subsequent to 31 March 2021. Management continues to monitor the situation closely.

The group's investment property portfolio is largely unaffected by the pandemic as properties are held for the medium to long term and are not exposed to short term fluctuations in the market. The group's trading property portfolio is also largely unaffected by the pandemic as there is sufficient headroom between the amounts at which they are recognised in the Balance Sheet and their fair value to absorb any short term fluctuations in value without causing any loss to the company. The directors do not anticipate a material change in the timing of future sales or of values achieved.

One of the companies in the group has a £40m bank facility which expires in February 2022. At the date of signing these financial statements the terms of a refinancing are being negotiated. Were the refinancing to be unsuccessful, it would not impact the going concern status of the group since the group has sufficient forecast liquidity to repay the facility in full.

At 31 March 2021, the company has net current liabilities of £177,982,000. Because the company has ownership of a group with consolidated net current assets of £855,934,000, it is able to call on the resources of its subsidiary companies should it require those resources to meet its liabilities. Management has prepared forecast cash flows for the group for at least 12 months from the date of signing the financial statements, and having considered the recoverability and liquidity of its net current assets, the directors confirm that they are satisfied that the group has adequate resources to meet its liabilities for at least 12 months from the date of signing the financial statements. As a result, they continue to adopt the going concern basis in preparing the financial statements.

##### **Future developments**

It is not envisaged that the group will initiate any plans to restructure its principal activities in the forthcoming year.

##### **Post balance sheet events**

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. Since the proposal to increase the rate to 25% had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements.

However, it is likely that the overall effect of the change, had it been substantively enacted by the balance sheet date, would be to decrease the tax expense for the period by £1,975,000 and to increase the deferred tax asset by £1,975,000.

## **TRILLIUM HOLDINGS LIMITED**

### **GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021**

#### **Principal risks and uncertainties**

The directors are conscious of the prevailing conditions in the UK economy, and the risks and uncertainties faced by property companies in general. In summary, the directors consider the group to be well organised and consider the impact of these risks to be low. This may provide competitive advantage to the group during the current financial year, as considered in more detail below.

#### **Property risk**

As an investor in property the group is exposed to potential reductions in the value of its properties and reduction in rental values. However, the directors consider the risk of adverse changes in property values and rental incomes to be low, as greater than 60% of the income is derived from significant medium and long term leases with government departments and large corporate organisations.

#### **Taxation risk**

The company is exposed to tax risks resulting from changes in tax legislation and the interpretation of tax legislation, which may expose the company to a reduction in post-tax income. The tax affairs of the company and group are in good order and the directors and senior management of the group are committed to maintaining an open and transparent dialogue with HM Revenue & Customs.

#### **Financial risk management objectives and policies**

##### **Credit risk**

The group's principal financial assets are bank balances, trade and other debtors and amounts due from group undertakings.

##### *Trade and other debtors*

Debtors are presented in the balance sheet net of allowances for doubtful debts. The group seeks to only trade with creditworthy third parties and monitors the levels of debt on a regular basis. The credit risk of debtors is considered to be low given the nature of the contracts and primary leases being with government departments, related agencies and large commercial organisations.

##### *Bank balances*

The group's bank balances are deposited at banks with long-term credit ratings which are monitored by the group treasurer.

##### *Amounts due from group undertakings*

The credit risk of amounts due from group undertakings is considered low, owing to the secure long-term cash flows that are receivable by either the counterparties to the loan, or subsidiaries of the counterparties. In addition, certain counterparties have received confirmation from Drummond Holdings International Limited that it intends to support those companies for at least one year after these financial statements are signed.

##### **Inflation risk**

The group's property partnership contracts are generally structured so that contractual income and costs are either wholly or partially linked to specific inflation where possible to minimise the risks of a mismatch between income and costs due to movements in inflation indices. The group's overall cash flows are estimated to partially vary with inflation. The effects of these inflation changes do not always immediately flow through to the group's cash flows. Cash flows are monitored regularly to identify whether any further action is required.

##### **Liquidity risk**

Liquidity risk is the risk that the group will not be able to meet its financial obligations as they fall due. The group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient financial resources and liquidity to meet its liabilities when due without incurring unacceptable losses or risking damage to the group's reputation. In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the group uses a mixture of long term and short term debt finance. Long term and short term liquidity needs are reviewed on a periodic basis by management and the board.

## **TRILLIUM HOLDINGS LIMITED**

### **GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021**

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

##### **Interest rate risk**

The group operates an interest rate policy designed to optimise interest rate cost and reduce volatility in reported earnings. Where the group holds floating rate debt the primary risk is that the group's cash flows will be subject to variation depending upon changes to base interest rates. The group's policy is to require interest rates to be fixed for 100% of long term debt. This is achieved through the use of interest rate swaps.

##### **Key performance indicators**

The key performance indicators of the group are set out below:

- To ensure high levels of customer satisfaction.
- To create sustainable returns for shareholders through:
  - Delivering efficiencies and using our scale more effectively,
  - Improving working capital management and cash generation.
- To promote responsibility to achieve the highest practicable standards of health and safety and minimise the impact of our activities on the environment.
- To attract, develop, retain and motivate high performance teams and individuals.

The group continues to maintain the highest practicable standards of health and safety with an Occupational Health and Safety Management System structured and managed in accordance with the principles of the Occupational Health and Safety Assessment Series (OHSAS) 18001.

## **TRILLIUM HOLDINGS LIMITED**

### **GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021**

#### **S172 Compliance Statement**

With respect to the company and its subsidiaries (the "group") we set out below our s172 Statement in accordance with The Companies (Miscellaneous Reporting) Regulations 2018 (the Regulations). The Regulations have been in force with effect from 1 January 2019 and apply to reporting periods starting on or after that date. The Regulations require directors to report how they have considered their duties under Section 172 of the Companies Act 2006 (the CA 2006) during the reporting period. As with many companies, decision making within the group is complex and the directors consider many factors, sometimes conflicting, when reaching decisions. Quality decision-making is supported by board meetings. The directors' principal decisions are always driven by the need to promote the success of the group for the benefit of its members as a whole and whilst taking principal decisions they consider all of their duties under the CA 2006, including having regard to all of the matters under Section 172 (1) a) to f). The impact of principal decisions on stakeholders is considered in detail and such discussions are noted in board minutes.

The group, at appropriate decision points, seeks guidance from independent advisors to strengthen, challenge and validate decision making.

#### **Summary of how the Board engages with our stakeholders**

The group considers that the stakeholder groups that are impacted by the group, its decisions and its business activities are the key stakeholders and include the group's employees, its customers, supply chain partners, the local environment and communities where our sites are situated and our shareholders.

The management team and other employees take part in direct and indirect engagement with various stakeholder groups. The group recognises the importance of its stakeholders. Without its dedicated and committed team of employees, the group would be unable to provide high quality levels of service and without its customers the group would be unable to benefit from revenue generation.

Each of the stakeholder categories listed below (customers, employees, etc) are discussed and reviewed by the Telereal Trillium Executive Committee (the Exec). Reports prepared by senior employees on each of the stakeholder categories below are submitted to the Exec for their consideration on a periodic basis throughout the year. By reviewing these matters at the highest level in the organisation, the directors can demonstrate that they have had regard to the need to foster the group's business relationships with suppliers, customers and others, and the effect of that regard, including on the principal decisions taken by the group. Examples of principal decisions made during the year are:

- Decisions in relation to COVID-19, which are documented in the table below.
- The decision to pay a dividend of £165,000,000. In doing so the directors considered the needs of investors. It also was determined that the business could continue as a going concern, despite the payment of the dividend, and in that context the dividend was determined not to be to the detriment of any of the group's stakeholders.
- The decision to refinance the group's bank loan which is secured against the cashflows generated by the group's contract with the Driver and Vehicle Licensing Agency ("DVLA"). In doing so the directors considered investors' needs for funding of the group and the decision included selecting the most appropriate lending agreement to meet investors' requirements. Furthermore, the decision was deemed to be beneficial to all of the group's stakeholders as it will allow the business to continue operating as a going concern.

In addition, the directors have had regard, to the following:

**TRILLIUM HOLDINGS LIMITED**

**GROUP STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2021**

Stakeholder	How the Board has considered their s172 obligations
<b>Customers</b>	<p>A standing agenda item at each monthly meeting of the group's Executive Committee is for the review of papers presented, which include an Asset report and individual updates for the group's key clients. The papers presented are used to inform the Executive and assist them in their decision making. For some of our key customers, the DVLA and Aviva, the group has teams located at customer sites. Sitting alongside the customer enabled the group to understand customer needs on a day-to-day basis and to adapt and support them in their COVID-19 response with regards to occupancy and management of their estates. There is a structured governance framework in place with regards to each main contract which regulates the customer/supplier relationship. Any board discussions or decisions are underpinned by the governance framework.</p>
<b>Employees</b>	<p>Each year the group coordinates an anonymous group-wide employee engagement survey, the results of which and actions to be taken are reviewed and considered by the Executive Committee. Some of the decisions made as a result of the survey relate to training and development and also the group's response to the COVID-19 pandemic, which included some of the measures to keep employees safe noted below.</p> <p>Training &amp; development is made available and accessible to all staff group-wide, including the provision of study packages for professional qualifications and general training to meet specific requirements or continuing professional development.</p> <p>This year, the Board recognised that the COVID-19 pandemic could result in employees having concerns regarding job security, health and safety at work and the challenges of working from home. Regular communications by the board were used to ensure that employees were kept informed about potential measures, in respect of the COVID-19 pandemic, that may impact them. This encompassed measures to keep employees safe, which included:</p> <ul style="list-style-type: none"> <li>- Allowing staff to work from home.</li> <li>- Where travel was required, allowing flexibility around timing of travel so that employees could avoid busy times and having to gather in crowded places.</li> <li>- Restricting the number of people that could use meeting rooms and lifts at the same time.</li> <li>- The requirement for face coverings in lifts and other common areas.</li> <li>- Installing antibacterial door handle covers.</li> <li>- The provision of hand sanitiser at office locations.</li> <li>- Notification arrangements in place for positive Covid cases amongst employees.</li> <li>- Changes to ventilation systems to allow better airflow through office buildings to reduce the spread of the virus.</li> </ul> <p>As a result of the COVID-19 pandemic the group considered but did not feel it necessary to implement any specific cost-reduction measures that would directly impact employees, other than halting recruitment for a period of time.</p>



**GROUP STRATEGIC REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

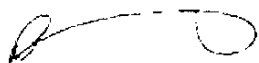
Stakeholder	How the Board has considered their s172 obligations
<p><b>Communities and environment</b></p>	<p>The group's corporate social responsibility programme is approved by the Board each year, which includes reviewing the partnerships and charities that the group will engage with in the forthcoming year, all of which must be aligned with the group's philosophy and principles. The Board approves specific budgets for a variety of donations that will be made throughout the year, for example, to our charity partner St Mungo's to which a donation was made during the year to support their mission to end homelessness in the UK.</p> <p>The group operates a charitable donation matching scheme and will match donations made or funds raised by staff up to a maximum £2,500 per person over a 12-month period.</p> <p>Payroll giving allows employees to contribute to any number of charities in a tax- efficient manner.</p> <p>Employee volunteering is encouraged through the provision of additional annual leave.</p> <p>Property developments focus on establishing close ties with all community stakeholders, including contributions to local projects.</p> <p>It is a target of the business to reduce energy and waste through eco-friendly activities, for example Board packs are mainly disseminated in electronic form, with a diminishing number of hard copy Executive Committee and Investment Committee packs circulated.</p> <p>Recycling is strongly encouraged with recycling bins situated across each office floor.</p>
<p><b>Investors</b></p>	<p>The group's Governance Deed is a governance framework adopted by the group, under which there is a requirement for the provision of management information and statutory reporting to be provided to shareholders and minority investors.</p> <p>Investors are engaged with so that group understands their long term vision for the business and on an annual basis a long term strategic forecast is presented to investors.</p>

**TRILLIUM HOLDINGS LIMITED**

**GROUP STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2021**

Stakeholder	How the Board has considered their s172 obligations
<b>Suppliers</b>	<p>All new suppliers who wish to contract with the group must be verified by either the group finance director or his delegate in addition to a compulsory supplier evaluation process undertaken by the group's finance team. The verification and evaluation processes are to ensure that suppliers have suitable policies and procedures in respect of:</p> <ul style="list-style-type: none"><li>- Anti bribery;</li><li>- Modern Slavery;</li><li>- Insurance;</li><li>- Health and safety;</li><li>- Environmental considerations; and</li><li>- Corporate responsibility</li></ul> <p>We also annually review our existing top 100 suppliers (categorised by annual spend) to ensure that they are maintaining suitable policies and procedures in respect of the items listed above.</p> <p>The group publishes its slavery and human trafficking statement for each financial year on its website pursuant to section 54(1) of the Modern Slavery Act 2015, which is approved by the Board before it is published.</p> <p>The group operates a strict anti-bribery and anti-corruption policy through which all employees are required to comply, and this includes the registration of gifts and hospitality (above certain value thresholds) on a register to demonstrate transparency in the corporate relationship. The register is reviewed by each responsible Board member on a quarterly basis.</p>

This report was approved by the board on 18 January 2022 and signed by order of the board.



**Aaron Burns**  
Company Secretary

## **TRILLIUM HOLDINGS LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2021**

The directors present their annual report and the audited consolidated financial statements for the year ended 31 March 2021.

#### **Distributions**

In March 2021, the company received a dividend of £248,659,000 from its subsidiary, Trillium (PRIME) Holdings Limited. Subsequent to receiving the dividend, the company made a distribution of £165,000,000 to its parent company; London Wall Outsourcing Limited.

In the year ended 31 March 2020, the company provided a 10 year interest free loan of £36,525,000 to TT CDR Holdings Limited, a fellow group undertaking. The difference between the discounted value of the loan at the market interest rate and the nominal value of the loan, £9,616,000, has been treated as a distribution paid by the company.

#### **Directors**

The directors who served during the year and up to the date of signing the financial statements were:

Adam Dakin  
Graham Edwards  
Russell Gurnhill  
Michael Hackenbroch  
Graeme Hunter

#### **Charitable donations**

The group made various charitable contributions totalling £74,000 (2020: £75,000) during the financial year. The group operates a charity matching scheme, which matches employee donations subject to a limit of £2,500 per employee per year.

#### **Qualifying third party indemnity provisions**

Qualifying third party indemnity provisions (as defined by section 234 of the Companies Act 2006), commonly known as Directors' and Officers' insurance, in relation to certain losses and liabilities which the directors may incur (or have incurred) to third parties in the course of their professional duties, were in force for the directors for their periods of directorship and at the date of this report.

#### **Creditor payment policy**

The group pays its creditors in accordance with its contractual obligations. The average time the group took to pay trade debts based on trade accounts payable during the year was 27 days (2020: 29 days).

#### **Matters covered in the strategic report**

Details of principal activities, business review, future developments and financial risk management can be found on pages 1 to 4 in the Strategic Report. They form part of this report by cross-reference.

#### **Stakeholder engagement**

A statement setting how the directors engage with and have regard for; employees, suppliers, customers and other stakeholders and how that effects the principal decisions made by the group, as required by section 172 of the Companies Act 2006, is set out in the Strategic Report on pages 5 to 7.

#### **Streamlined Energy and Carbon Reporting (SECR) disclosure**

The group has taken an exemption from disclosing on SECR in its financial statements on the basis that this information can be found in the consolidated financial statements of Telereal (LW) Holdings Limited, a fellow group undertaking.

## TRILLIUM HOLDINGS LIMITED

### DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

#### 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 group and company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

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 group and company and of the profit or loss of the group and company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, 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 group and company will continue in business.

The directors are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

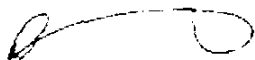
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006.

#### Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This report was approved by the board on 18 January 2022 and signed by order of the board.



**Aaron Burns**  
Company Secretary

Registered number: 03487308

**TRILLIUM HOLDINGS LIMITED**

**SUPPLEMENTARY NOTE CONTAINING REVISION TO THE ANNUAL REPORT  
AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2021**



COMPANIES HOUSE

## **Introduction**

In accordance with the Companies (Revision of Defective Accounts and Reports) Regulations 2008, UK Statutory Instruments 2008 number 373, the directors set out a Supplementary Note to the Annual Report and Financial Statements of Trillium Holdings Limited (the "Company") and its subsidiaries (together, the "Group") for the year ended 31 March 2021.

## **Revision**

The financial statements for the Company and Group for the year ended 31 March 2021 were previously approved and signed by the directors on 18 January 2022. Those original financial statements contained an administrative error within the auditors' report, whereby the year-end date was incorrectly stated as 30 March 2021 instead of 31 March 2021. Those original financial statements contained three erroneous references to 30 March 2021 in the auditors' report but contained no other errors. All erroneous references to 30 March 2021 within the auditors' report have now been amended to reference 31 March 2021. No other revisions to the financial statements were necessary.

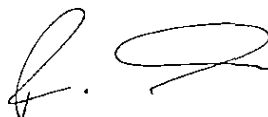
This Supplementary Note revises the original financial statements of the Company and Group to correct this error and is to be treated as forming part of those financial statements.

This supplementary note has been prepared as at the date of the original financial statements (18 January 2022), and not as at the date of this supplementary note dated 28 February 2022 and accordingly does not deal with events between those dates.

This Supplementary Note was approved and authorised for issue by the board and was signed on its behalf on 28 February 2022.



**Michael Hackenbroch**  
Director



**Russell Gurnhill**  
Director

# Independent auditors' report to the members of Trillium Holdings Limited

## Report on the audit of the revised financial statements

### Opinion

In our opinion, Trillium Holdings Limited's group revised financial statements and company revised financial statements (the "revised financial statements"):

- give a true and fair view, seen as at the date the original financial statements were approved, of the state of the group's and of the company's affairs as at 31 March 2021 and of the group's profit and the group's cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006 as they have effect under the Companies (Revision of Defective Accounts and Reports) Regulations 2008.

We have audited the revised financial statements, included within the Annual Report and financial statements (the "Annual Report"), which comprise: the Consolidated and Company Balance Sheets as at 31 March 2021; the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Cash Flows, and the Consolidated and Company Statements of Changes in Equity for the year then ended; and the notes to the revised financial statements, which include a description of the significant accounting policies. These revised financial statements replace the original financial statements approved by the directors on 18 January 2022 and consist of the attached supplementary note together with the original financial statements circulated to members on 28 February 2022. The revised financial statements have been prepared in accordance with The Companies (Revision of Defective Accounts and Reports) Regulations 2008 and as such do not consider events which have taken place after the date on which the original financial statements were approved.

### 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 revised 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 group in accordance with the ethical requirements that are relevant to our audit of the revised 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.

## Emphasis of matter - Revision of Year-End Date in Auditors' Report

We draw attention to the supplementary note concerning the need to revise the original financial statements where, due to an administrative error, the original audit report referred to the year-end date as 30 March 2021 instead of the correct date of 31 March 2021. Our opinion is not modified in this respect.

## Our audit approach

### Overview

#### Audit scope

- As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the revised financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

#### Key audit matters

- Valuation of Investment Property (group)
- Valuation of investments in subsidiary companies (parent)

#### Materiality

- Overall group materiality: £37,540,000 (2020: £39,367,000) based on 2% of total assets.
- Overall company materiality: £15,887,000 (2020: £14,867,000) based on 1% of total assets.
- Performance materiality: £28,155,000 (2020: £29,525,000) (group) and £11,916,000 (2020: £11,150,000) (company).

#### The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the revised financial statements.

#### Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the revised financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the revised financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

Impact of COVID-19, which was a key audit matter last year, is no longer included because of the nature of the company and its medium to long term investing activity. The Impact of COVID-19 is not deemed to have a significant impact on the operations of the group and company and its investment property. Otherwise, the key audit matters below are consistent with last year.

Key audit matter	How our audit addressed the key audit matter
<i>Valuation of Investment Property (group)</i> Refer to page 31 (Note 1 - Accounting policies), page 35 (Note 2 - Judgements in applying accounting policies and key sources of estimation uncertainty), page 43 (Note 15 - Investment property) and page 54 (Note 25 - Pension liability). The group owns a portfolio of investment	Given the inherent subjectivity involved in the valuation of investment properties and pension scheme properties, we engaged our internal valuation experts (qualified chartered surveyors) to assist us in our audit of this matter. We assessed both the internal and external valuers'



<p>properties and its pension scheme owns investment properties within the United Kingdom. The total value of these investment properties at 31 March 2021 was £262.5 million (31 March 2020: £255.5 million) and the value of the pension scheme properties at 31 March 2021 was £27.3 million (31 March 2020: £29.6 million). This has been identified as a key audit matter as the valuation of this property is an inherently complex and judgemental area. The valuation of £186.4 million of the investment property portfolio and £27.3 million of the pension scheme assets have been valued internally by a chartered surveyor who is a member of the Royal Institution of Chartered Surveyors ("RICS"). The remaining £76.1 million of the properties have been valued by external valuers CB Richard Ellis ("CBRE"). In both cases the valuations are prepared in accordance with the valuation principles of the Appraisal and Valuation manual of the RICS and the Group's accounting policies. In certain cases where properties have been internally valued, management have utilised external valuation experts, CBRE, who have reviewed the methodology and key assumptions used within the internal valuation of certain properties. The portfolio contains a number of properties which have been valued via differing techniques based on the individual nature of each asset. For those properties which are currently generating rental income either the income capitalisation method or a discounted cash flow method has been utilised to calculate their investment value depending on the nature of the properties. The valuation takes into account property specific information such as the current tenancy agreements and rental income. Judgemental assumptions are then applied such as yield and discount rate, where applicable, which are influenced by prevailing market yields and comparable market transactions, to arrive at the final valuation. For those properties which are vacant at the valuation date the valuation is based on the vacant possession value of the specific property, taking into consideration any development potential and planning consents obtained.</p>	<p>qualifications and expertise and read the external valuers' terms of engagement with the Group to determine whether there were any matters that might have affected their objectivity or may have imposed scope limitations upon their work. We also considered fee arrangements between the external valuers and the Group, and other engagements which might exist between the Group and the external valuers. We found no evidence to suggest that the objectivity of the external valuers was compromised. For both internal and external valuations we checked the accuracy of the underlying data used within the valuations by tracing the data back to the relevant evidence such as signed leases on a sample basis. No exceptions were identified from this work. We obtained the internal valuation schedules and the external valuers reports and confirmed that the valuation approach utilised was in accordance with RICS standards and suitable for use in determining the final value for the purpose of the revised financial statements. For each portfolio of properties, we met with the internal and external valuers to discuss and challenge the valuation process and the reasonableness of the key assumptions utilised in the valuation. This included comparing the yield to comparable market benchmarks. In doing so we had regard to portfolio specific factors and our knowledge of the market, including recent comparable transactions. We obtained corroborating evidence to support explanations received from the valuers where appropriate. We found that the assumptions and methodology used were consistent with our expectations and that they had been applied appropriately.</p>
<p><i>Valuation of investments in subsidiary companies (parent)</i></p> <p>Refer to page 31 (Note 1 - Accounting Policies: Investments in Subsidiaries), page 35 (Note 2 - Judgements in applying accounting policies and key sources of estimation uncertainty) and page 44 (Note 16 - Investments). The Company has investments in subsidiary companies of £575.7 million as at 31 March 2021 (2020: £576.1 million). The Company's accounting policy is to hold these investments at cost less accumulated impairment. This was identified as a key audit matter for our audit of the Company as there is a degree of judgement underpinning the net asset value of each subsidiary company. The primary determinants and key estimates within the value of each subsidiary company are the property valuations and intercompany receivables held by each investee. As such it was over these areas that we applied the most focus and audit effort. For further discussion on the value of investment property, please refer to the property valuation key audit matter.</p>	<p>We obtained the directors' assessment for the value of investments held in subsidiary companies as at 31 March 2021. We assessed the accounting policy for investments to ensure it was compliant with FRS 102. We verified that the methodology used by the directors in assessing the value of each subsidiary was compliant with FRS 102. We identified the key judgement within the value of investments held in subsidiary companies to be the valuation of investment property and intercompany receivables held by each investee. For details of our procedures over investment property valuations please refer to the property valuation key audit matter earlier within this report. Since this was identified as a key audit matter for the Group, our procedures over the valuation of intercompany receivables included cross-referencing the balances to the associated payable within the relevant Group company. We then assessed the recoverability of the receivable with reference to the net asset position of the counterparty and other factors where relevant. We have no matters to report in respect of this work.</p>

### How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the revised financial statements as a whole, taking into account the structure of the group and the company, the accounting processes and controls, and the industry in which they operate.

The group is located in the UK with all operations located in the UK, therefore all audit procedures were performed by the UK based audit team. The scope of audit work performed was determined by the materiality thresholds adopted and audit risks identified during planning procedures.

### Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the revised financial statements as a whole.

Based on our professional judgement, we determined materiality for the revised financial statements as a whole as follows:

	Revised financial statements - group	Revised financial statements - company
<i>Overall materiality</i>	£37,540,000 (2020: £39,367,000).	£15,887,000 (2020: £14,867,000).
<i>How we determined it</i>	2% of total assets	1% of total assets
<i>Rationale for benchmark applied</i>	The main driver of a real estate business is its investment property values. Accordingly, total assets was deemed to be the appropriate benchmark.	Parent company is a holding company and therefore total assets is the key driver of the entity.

For each component in the scope of our group audit, we allocated a materiality that is less than our overall group materiality. The range of materiality allocated across components was between £48,000 and £15,887,000. Certain components were audited to a local statutory audit materiality that was also less than our overall group materiality.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2020: 75%) of overall materiality, amounting to £28,155,000 (2020: £29,525,000) for the group revised financial statements and £11,916,000 (2020: £11,150,000) for the company revised financial statements.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount in the middle of our normal range was appropriate.

We agreed with those charged with governance that we would report to them misstatements identified during our audit above £1,876,000 (group audit) (2020: £1,968,000) and £794,000 (company audit) (2020: £743,000) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

### Conclusions relating to going concern

Our evaluation of the directors' assessment of the group's and the company's ability to continue to adopt the going concern basis of accounting included:

- Understanding management's approach and key assumptions to forecasts
- Assessing the financial position of the group and entity
- Challenging key assumptions and estimates in the forecast future cash flows
- Testing forecast covenant compliance

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

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

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

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

## **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the revised financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the revised 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 revised financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the revised 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 revised 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 Strategic report and revised Directors Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

### **Strategic report and Revised Directors Report**

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and revised Directors Report for the year ended 31 March 2021 is consistent with the revised financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and revised Directors Report.

## **Responsibilities for the revised financial statements and the audit**

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

As explained more fully in the Statement of directors' responsibilities, the directors are responsible for the preparation of the revised 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 revised financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the revised financial statements, the directors are responsible for assessing the group's and 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 group or the company or to cease operations, or have no realistic alternative but to do so.

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

Our objectives are to obtain reasonable assurance about whether the revised 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 revised financial statements.

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

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to tax legislation and the Landlord and Tenant Act 1985, and we considered the extent to which non-compliance might have a material effect on the revised financial statements. We also considered those laws and regulations that have a direct impact on the revised financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the revised financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Discussions with management and those charged with governance, including consideration of any known or suspected instances of non-compliance with laws and regulations and fraud
- Reviewing minutes of meetings of those charged with governance
- Performing procedures over any unusual journal entries
- Designing audit procedures to incorporate unpredictability into our testing
- Challenging assumptions made by management in determining their judgements and accounting estimates
- Review of financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations
- Engaging valuations experts to review the investments property valuation

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the revised financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the revised financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). In the context of an audit of revised financial statements, in respect of our conclusion relating to going concern, we are only required to consider audit evidence up to the date of our original auditors' report. In other respects, this description forms part of our auditors' report. This description forms part of our auditors' report.

### **Use of this 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 and the Companies (Revision of Defective Accounts and Reports) Regulations 2008. 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.

## 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 obtained 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 company revised financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Suzanne Woolfson (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
28 February 2022

**TRILLIUM HOLDINGS LIMITED**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2021**

	Note	2021 £000	2020 £000
Turnover	3	114,999	126,818
Operating costs		(89,436)	(111,992)
Exceptional operating costs	17	-	(20,800)
Net movement in valuation of properties	8	(3,391)	(6,620)
<b>Operating profit/(loss)</b>	4	22,172	(12,594)
Interest receivable and similar income	9	49,527	52,265
Interest payable and similar expenses	10	(15,162)	(15,161)
<b>Profit before taxation</b>		56,537	24,510
Tax on profit	11	(11,131)	(9,283)
<b>Profit for the financial year</b>		45,406	15,227
Actuarial gains/(losses) on defined benefit pension scheme	25	3,688	(593)
Movement of deferred tax relating to pension deficit	21	(701)	113
<b>Other comprehensive income/(loss) for the year</b>		2,987	(480)
<b>Total comprehensive income for the year</b>		48,393	14,747
<b>Profit/(loss) for the year attributable to:</b>			
Non-controlling interests		(66)	(281)
Owners of the parent company		45,472	15,508
		45,406	15,227
<b>Total comprehensive income/(expense) for the year attributable to:</b>			
Non-controlling interests		(66)	(281)
Owners of the parent company		48,459	15,028
		48,393	14,747

The notes on pages 26 to 59 form part of these financial statements.

**TRILLIUM HOLDINGS LIMITED**  
**REGISTERED NUMBER: 03487308**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 MARCH 2021**

	Note	2021 £000	2020 £000
<b>Non-current assets</b>			
Intangible assets	13	42,287	46,314
Tangible assets	14	1,572	1,273
Investment property	15	262,534	255,504
		<u>306,393</u>	<u>303,091</u>
<b>Current assets</b>			
Properties held for sale		6,504	7,993
Debtors	17	1,508,054	1,602,096
Cash at bank and in hand	18	56,032	55,166
		<u>1,570,590</u>	<u>1,665,255</u>
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	19	(714,656)	(693,874)
		<u>855,934</u>	<u>971,381</u>
<b>Net current assets</b>			
		<u>1,162,327</u>	<u>1,274,472</u>
<b>Total assets less current liabilities</b>			
Creditors: amounts falling due after more than one year	20	(229,961)	(218,964)
<b>Provisions for liabilities</b>			
Provisions	22	(17,546)	(20,050)
Pension liability	25	(6,974)	(10,045)
		<u>907,846</u>	<u>1,025,413</u>
<b>Net assets</b>			
		<u><u>907,846</u></u>	<u><u>1,025,413</u></u>

**TRILLIUM HOLDINGS LIMITED**  
**REGISTERED NUMBER: 03487308**

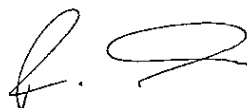
**CONSOLIDATED BALANCE SHEET (CONTINUED)**  
**AS AT 31 MARCH 2021**

	Note	2021 £000	2020 £000
<b>Capital and reserves</b>			
Called up share capital	27	25,300	25,300
Share premium account		299,700	299,700
Other reserves		10,724	10,724
Retained earnings		572,122	688,663
<b>Equity attributable to owners of the parent company</b>		<u>907,846</u>	<u>1,024,387</u>
Non-controlling interests		-	1,026
<b>Total equity</b>		<u><u>907,846</u></u>	<u><u>1,025,413</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 18 January 2022.



**Michael Hackenbroch**  
Director



**Russell Gurnhill**  
Director

The notes on pages 26 to 59 form part of these financial statements.



**TRILLIUM HOLDINGS LIMITED**  
**REGISTERED NUMBER: 03487308**

**COMPANY BALANCE SHEET**  
**AS AT 31 MARCH 2021**

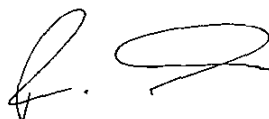
	Note	2021 £000	2020 £000
<b>Fixed assets</b>			
Investments	16	575,688	576,147
		<u>575,688</u>	<u>576,147</u>
<b>Current assets</b>			
Debtors	17	1,012,767	910,397
Cash at bank and in hand	18	282	145
		<u>1,013,049</u>	<u>910,542</u>
Creditors: amounts falling due within one year	19	(1,191,031)	(1,192,612)
<b>Net current liabilities</b>		<u>(177,982)</u>	<u>(282,070)</u>
<b>Total assets less current liabilities</b>		<u>397,706</u>	<u>294,077</u>
Creditors: amounts falling due after more than one year	20	(48,509)	(52,212)
<b>Net assets</b>		<u><u>349,197</u></u>	<u><u>241,865</u></u>
<b>Capital and reserves</b>			
Called up share capital	27	25,300	25,300
Share premium account		299,700	299,700
Retained earnings/ (accumulated losses)		24,197	(83,135)
<b>Total equity</b>		<u><u>349,197</u></u>	<u><u>241,865</u></u>

The company recorded a profit of £272,332,000 (2020: loss of £88,799,000) for the financial year and paid a distribution of £165,000,000 to its parent undertaking.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 18 January 2022.



**Michael Hackenbroch**  
Director



**Russell Gurnhill**  
Director

The notes on pages 26 to 59 form part of these financial statements.

**TRILLIUM HOLDINGS LIMITED**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2021**

	Called up share capital £000	Share premium account £000	Other reserves £000	Retained earnings £000	Total equity attributable to owners of parent company £000	Non- controlling interests £000	Total equity £000
At 1 April 2020	25,300	299,700	10,724	688,663	1,024,387	1,026	1,025,413
<b>Comprehensive income for the year</b>							
Profit for the financial year	-	-	-	45,472	45,472	(66)	45,406
Actuarial gains on pension scheme after deferred tax	-	-	-	2,987	2,987	-	2,987
Distributions paid to minority interest	-	-	-	-	-	(960)	(960)
<b>Other comprehensive income/(expense) for the year</b>							
	-	-	-	2,987	2,987	(960)	2,027
<b>Total comprehensive income/(expense) for the year</b>							
Distributions paid	-	-	-	48,459 (165,000)	48,459 (165,000)	(1,026) -	47,433 (165,000)
<b>At 31 March 2021</b>	<b>25,300</b>	<b>299,700</b>	<b>10,724</b>	<b>572,122</b>	<b>907,846</b>	<b>-</b>	<b>907,846</b>

The notes on pages 26 to 59 form part of these financial statements.

**TRILLIUM HOLDINGS LIMITED**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2020**

	Called up share capital £000	Share premium account £000	Other reserves £000	Retained earnings £000	Equity attributable to owners of parent company £000	Non- controlling interests £000	Total equity £000
At 1 April 2019	25,300	299,700	10,724	683,251	1,018,975	1,307	1,020,282
<b>Comprehensive income/(expense) for the year</b>							
Profit/(loss) for the financial year	-	-	-	15,508	15,508	(281)	15,227
Actuarial losses on pension scheme after deferred tax	-	-	-	(480)	(480)	-	(480)
<b>Other comprehensive expense for the year</b>							
	-	-	-	(480)	(480)	-	(480)
<b>Total comprehensive income/(expense) for the year</b>							
Distributions paid	-	-	-	15,028	15,028	(281)	14,747
	-	-	-	(9,616)	(9,616)	-	(9,616)
<b>Total transactions with another group undertaking</b>							
	-	-	-	(9,616)	(9,616)	-	(9,616)
<b>At 31 March 2020</b>	<b>25,300</b>	<b>299,700</b>	<b>10,724</b>	<b>688,663</b>	<b>1,024,387</b>	<b>1,026</b>	<b>1,025,413</b>

The notes on pages 26 to 59 form part of these financial statements.

**TRILLIUM HOLDINGS LIMITED**

**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2021**

	Called up share capital £000	Share premium account £000	Retained earnings/ (accumulated losses) £000	Total equity £000
At 1 April 2019	25,300	299,700	15,280	340,280
<b>Comprehensive expense for the year</b>				
Loss for the financial year and total comprehensive expense	-	-	(88,799)	(88,799)
<b>Contributions by and distributions to another group undertaking</b>				
Distributions	-	-	(9,616)	(9,616)
<b>Total transactions with owners</b>	-	-	(9,616)	(9,616)
At 31 March 2020 and 1 April 2020	25,300	299,700	(83,135)	241,865
<b>Comprehensive income for the year</b>				
Profit for the financial year and total comprehensive income	-	-	272,332	272,332
<b>Contributions by and distributions to owners</b>				
Distributions	-	-	(165,000)	(165,000)
<b>At 31 March 2021</b>	<b>25,300</b>	<b>299,700</b>	<b>24,197</b>	<b>349,197</b>

The notes on pages 26 to 59 form part of these financial statements.

**TRILLIUM HOLDINGS LIMITED**

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2021**

	2021 £000	2020 £000
<b>Cash flows from operating activities</b>		
Profit for the financial year	45,406	15,227
<b>Adjustments for:</b>		
Amortisation of intangible assets	4,027	4,027
Depreciation of tangible assets	308	232
Exceptional operating costs	-	20,800
Interest payable and similar expenses	15,162	15,161
Interest receivable and similar income	(49,527)	(52,265)
Taxation charge	11,131	9,283
Decrease in properties held for sale	1,489	2,830
Decrease in debtors	53,960	24,892
Decrease/(increase) in amounts owed by groups	87,821	(167,293)
Increase/(decrease) in creditors	1,495	(11,744)
Decrease in provisions	(2,504)	(8,023)
Increase in pension liabilities	617	568
Corporation tax paid	(9,242)	(10,312)
Loss on disposal of investment properties	559	4,569
Revaluation of investment properties	2,832	2,051
<b>Net cash generated from/(used in) operating activities</b>	<b>163,534</b>	<b>(149,997)</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(607)	(527)
Sale of investment properties	7,347	108,777
Purchase of investment properties	(17,768)	(35,593)
Interest received	47,789	51,752
<b>Net cash generated from investing activities</b>	<b>36,761</b>	<b>124,409</b>

**TRILLIUM HOLDINGS LIMITED**

**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2021**

	2021 £000	As restated 2020 £000
<b>Cash flows from financing activities</b>		
Proceeds from new loans	16,593	32,692
Repayment of loans	(34,845)	(77,272)
Dividends paid to owners	(165,000)	-
Interest paid	(15,217)	(11,992)
Distributions paid to non controlling interests	(960)	-
<b>Net cash used in financing activities</b>	<b>(199,429)</b>	<b>(56,572)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>866</b>	<b>(82,160)</b>
Cash and cash equivalents at beginning of year	55,166	137,326
<b>Cash and cash equivalents at the end of year</b>	<b>56,032</b>	<b>55,166</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	56,032	55,166
	<b>56,032</b>	<b>55,166</b>

The notes on pages 26 to 59 form part of these financial statements.

## **TRILLIUM HOLDINGS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

#### **1. Accounting policies**

##### **General Information**

The principal activities of Trillium Holdings Limited ("the company") and its subsidiaries (together "the group") are described in the Strategic Report on page 1 of the financial statements. The company is a private company, limited by shares, incorporated in England and Wales. The address of the company's registered office, which is also the company's principal place of business is provided in note 30.

##### **Basis of preparation of financial statements**

The group and individual financial statements of Trillium Holdings Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

These consolidated and separate financial statements are prepared on a going concern basis under the historical cost convention, as modified by the revaluation of certain assets and liabilities measured at fair value through profit and loss.

The financial statements have been prepared in Sterling (rounded to the nearest thousand pounds), which is the functional and presentational currency of the company.

The preparation of financial statements in compliance with FRS 102 requires the use of certain accounting estimates. It also requires management to exercise judgement in applying the group and company accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

The company has taken advantage of the exemption in section 408 of the Companies Act 2006 from disclosing its individual Statement of Comprehensive Income.

##### **Financial reporting standard 102 - reduced disclosure exemptions**

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102:

- (i) preparation of a statement of cash flows on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in these financial statements, includes the company's cash flows;
- (ii) certain financial instrument disclosures, required under FRS 102 paragraphs 11.39 to 11.48A and paragraphs 12.26 to 12.29, as the information is provided in the consolidated financial statement disclosures;
- (iii) from disclosing the company key management personnel compensation, as required by FRS 102 paragraph 33.7; and
- (iv) related party disclosures in accordance with paragraph 33.1A of FRS 102, to the extent that the company transacts with wholly owned subsidiaries of the wider group.

As stated in FRS102, the above disclosure exemptions apply only to the company and not to the consolidated position of the group.

## TRILLIUM HOLDINGS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

#### 1. Accounting policies (continued)

##### Going concern and COVID-19

The group has net assets of £907,846,000 at 31 March 2021.

As at the date of signing these financial statements, the COVID-19 outbreak has caused significant disruption to the UK economy. The group's income is derived from its portfolio of investment and trading properties and from its long-term property partnerships with the DVLA, Aviva, Royal Mail and BT. The group has continued to receive contractual income from its outsourcing contracts with these large organisations as well as rental income on its properties in the period subsequent to 31 March 2021. Management continues to monitor the situation closely.

The group's investment property portfolio is largely unaffected by the pandemic as properties are held for the medium to long term and are not exposed to short term fluctuations in the market. The group's trading property portfolio is also largely unaffected by the pandemic as there is sufficient headroom between the amounts at which they are recognised in the Balance Sheet and their fair value to absorb any short term fluctuations in value without causing any loss to the company. The directors do not anticipate a material change in the timing of future sales or of values achieved.

One of the companies in the group has a £40m bank facility which expires in February 2022. At the date of signing these financial statements the terms of a refinancing are being negotiated. Were the refinancing to be unsuccessful, it would not impact the going concern status of the group since the group has sufficient forecast liquidity to repay the facility in full.

At 31 March 2021, the company has net current liabilities of £177,982,000. Because the company has ownership of a group with consolidated net current assets of £855,934,000, it is able to call on the resources of its subsidiary companies should it require those resources to meet its liabilities. Management has prepared forecast cash flows for the group for at least 12 months from the date of signing the financial statements, and having considered the recoverability and liquidity of its net current assets, the directors confirm that they are satisfied that the group has adequate resources to meet its liabilities for at least 12 months from the date of signing the financial statements. As a result, they continue to adopt the going concern basis in preparing the financial statements.

##### Basis of consolidation

The financial statements consolidate the financial statements of Trillium Holdings Limited and all of its subsidiary undertakings ("subsidiaries"). Subsidiary undertakings are those entities controlled, either directly or indirectly, by the company.

The financial statements of subsidiaries acquired or sold are included in the consolidated financial statements from or up to the date when control commences or ceases. The results of subsidiaries acquired during the year are included from the effective date of acquisition.

Intra-group balances and any unrealised gains and losses arising from intra-group transactions are eliminated in preparing the consolidated financial statements. Unrealised gains arising from *transactions with subsidiaries are eliminated to the extent of the group's interest in the entity.*

Unrealised losses are eliminated in the same way as unrealised gains to the extent there is no evidence of impairment.

Minority interests in the net assets of the consolidated subsidiaries are identified separately from the group's equity. Minority interests consist of the share of equity at the date of incorporation and the minority interests' share of post incorporation results.

The following principal accounting policies have been applied consistently to all years presented unless stated otherwise:



## TRILLIUM HOLDINGS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

#### 1. Accounting policies (continued)

##### **Turnover**

The group recognises turnover when the significant risks and rewards of ownership have been transferred to the buyer, the group retains no continuing involvement or control over the goods, the amount of turnover can be measured reliably, it is probable that future economic benefit will flow to the group and when the specific criteria relating to each of the group's revenue streams have been met, as described below:

##### Property services income

The group provides property related services in the United Kingdom which is recognised in the accounting period in which the services are rendered on an accruals basis.

##### Capital projects

Revenue from capital projects is recognised in the accounting periods in which the services are rendered, by reference to the stage of completion of the specific transaction.

##### Third party rents

Rental income is recognised in the Statement of Comprehensive Income on an accruals basis. Increases in rent are accounted for from the date when they become effective. Lease incentives are recognised on a straight line basis over the lease term.

##### Management fee income

Management fees are recognised in the Statement of Comprehensive Income on an accruals basis.

##### Disposals of properties held for sale

Proceeds from the sale of properties held for sale are recognised in the Statement of Comprehensive Income when the significant risks and returns have been transferred to the buyer. This is generally on unconditional exchange of contracts.

##### Other income

Other income is recognised in the Statement of Comprehensive Income on an accruals basis. The group recognises other income when the amount of revenue can be measured reliably, and it is probable that future economic benefit will flow to the group. Other income includes certain income streams from the BT contract.

Turnover is measured at the fair value of the consideration received, net of sales taxes.

##### **Operating costs**

Operating costs are recognised in the Statement of Comprehensive Income on an accruals basis. The cost of properties held for sale disposed in the year are recognised in the Statement of Comprehensive Income when the significant risks and returns have been transferred to the buyer. This is generally on unconditional exchange of contracts.

##### **Operating leases**

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Comprehensive Income on a straight-line basis over the period of the leases.

## TRILLIUM HOLDINGS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

#### 1. Accounting policies (continued)

##### **Exceptional items**

*Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the company. They are material items of income or expense that have been shown separately due to the significance of their nature or amount.*

##### **Interest and finance costs**

Interest income and interest payable are recognised in the Statement of Comprehensive Income using the effective interest rate method.

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument. Costs arising from the amendment to an existing facility are expensed as incurred.

##### **Interest rate swaps**

*The group holds derivative financial instruments to hedge its interest rate risk exposures. All derivatives are recognised initially at fair value. Thereafter, derivatives are measured at fair value with changes recognised in Statement of Comprehensive Income as part of finance income or costs. Fair value is based on price quotations from financial institutions active in the relevant market.*

##### **Taxation**

Tax is recognised in profit for the financial year, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

The tax on profit includes amounts paid or received for group relief in respect of tax losses claimed and surrendered in the current period.

*Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:*

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

*Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.*

## TRILLIUM HOLDINGS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

#### 1. Accounting policies (continued)

##### **Intangible assets**

Business combinations are accounted for by applying the purchase method.

The cost of the business combination is the fair value of the consideration given, liabilities incurred or assumed and of equity instruments issued plus the costs directly attributable to the business combination. Where control is achieved in stages the cost is the consideration at the date of each transaction.

On acquisition of a business, fair values are attributed to the identifiable assets, liabilities and contingent liabilities unless the fair value cannot be measured reliably, in which case the value is incorporated in goodwill. Where contingent liabilities cannot be reliably measured they are disclosed on the same basis as other contingent liabilities.

Goodwill recognised represents the excess of the fair value and directly attributable costs of the purchase consideration over the fair value of the group's interest in the identifiable net assets, liabilities and contingent liabilities acquired.

Goodwill is amortised over its useful expected life. Where the group is unable to make a reliable estimate of useful life, goodwill is amortised over a period not exceeding 10 years. Goodwill is assessed for impairment where there are indicators of impairment and any impairment is charged to the Statement of Comprehensive Income. Reversals of impairment are recognised when the reasons for the impairment no longer apply.

##### **Tangible fixed assets**

Assets are stated at historical cost less accumulated depreciation.

Depreciation is provided on assets at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold property	-	over the life of the lease
Plant and machinery, Furniture and equipment	-	over 3 to 10 years

The assets' estimated residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

For tangible fixed assets not held at market value an asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

No borrowing costs are capitalised as part of tangible fixed assets.

## **TRILLIUM HOLDINGS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

#### **1. Accounting policies (continued)**

##### **Investment property**

Investment properties are those properties that are held either to earn rental income or for capital appreciation, or both. Investment properties are measured initially at cost including transaction costs if acquired from third parties, or at fair value if reclassified from operating properties.

Investment properties are carried in the financial statements at fair values based on the latest professional valuation on an open market basis as of each reporting date. Properties are treated as acquired and sold when the group is subject to an unconditional purchase or sales contract. Profits/losses and valuation gains and diminutions in value are recognised within net valuation movements on investment properties in the Statement of Comprehensive Income.

In accordance with FRS 102, depreciation is not provided on investment properties. This is a departure from the Companies Act 2006 which requires all tangible assets to be depreciated. In the opinion of the directors, this departure is necessary for the financial statements to give a true and fair view and comply with applicable accounting standards which require investment properties to be included in the financial statements at fair value. The effect of depreciation is implicitly reflected in the valuation of investment properties, and the amount attributable to this factor cannot reasonably be separately identified or quantified by the valuers. Had the provisions of the Act been followed, assets would not have been affected but operating costs would have been reduced for this and earlier years and valuation movements would have correspondingly increased. There would be no impact on profit for the year.

##### **Investments in subsidiaries**

Investments in subsidiaries comprise equity investments in subsidiary entities. These are carried at cost less any provision for impairment in value.

The carrying amount of the company's investments is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated and an impairment loss is recognised in the Statement of Comprehensive Income whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of an asset is the greater of its net selling price and its value in use. If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed.

##### **Properties held for sale**

Properties held for sale are included in the financial statements at the lower of cost and net realisable value.

Purchases and sales of properties are recognised when the significant risks and returns have been transferred to the group and buyer respectively. This is generally on unconditional exchange of contracts.

At each balance sheet date, properties held for sale are reviewed for impairment. If an impairment is required, the carrying amount is reduced to its selling price less costs to sell. The impairment loss is recognised immediately in the Statement of Comprehensive Income. If there is a decrease in the impairment loss arising from an event occurring after it was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed the amount at which the property would have been stated, had the impairment not previously been recognised. The impairment reversal is recognised in the Statement of Comprehensive Income.

## TRILLIUM HOLDINGS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

#### 1. Accounting policies (continued)

##### **Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the group's cash management.

##### **Financial instruments**

The group has adopted the provisions of sections 11 and 12 of FRS 102.

##### **(i) Financial assets**

Basic financial assets, including trade and other debtors, cash at bank and in hand, prepayments and accrued income and amounts owed by group undertakings, are recognised initially at transaction price, unless the transaction constitutes a financing arrangement, e.g. significantly deferred credit terms, where the transaction is measured at the present value of future receipts discounted at the market rate of interest. Such assets are held at amortised cost using the effective interest rate method.

Financial assets are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

The impairment loss is measured as the difference between an asset's carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

If there is a decrease in the impairment loss arising from an event occurring after it was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed the amount at which the asset would have been stated had the impairment not previously been recognised. The impairment reversal is recognised in the Statement of Comprehensive Income.

Financial assets are derecognised when the contractual rights to the cash flows from the asset expire or are settled, or substantially all the risks and rewards of the ownership of the asset are transferred to another party, or control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

##### **(ii) Financial liabilities**

Basic financial liabilities, including trade and other creditors, bank loans, VAT payable, accruals and deferred income and amounts owed to group undertakings, are recognised initially at transaction price, unless the transaction constitutes a financing arrangement, e.g. significantly deferred credit terms, where the transaction is measured at the present value of future receipts discounted at the market rate of interest. Such liabilities are held at amortised cost using the effective interest rate method.

Debt instruments (other than those wholly repayable within one year), including loans and other accounts payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**1. Accounting policies (continued)**

**(ii) Financial liabilities (continued)**

Debt instruments that are payable within one year, typically trade creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid. However, if the arrangements of a short-term instrument constitute a financing transaction, such as the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate, the financial liability is measured, initially, at the present value of the future cash flows discounted at a market rate of interest for a similar debt instrument and, subsequently, at amortised cost.

Derivatives, including interest rate swaps, are not basic financial instruments. Derivatives are recognised initially at fair value on the date a derivative contract is entered into and are re-measured subsequently at their fair value. Changes in the fair value of derivatives are recognised in the *Statement of Comprehensive Income in finance costs or income as appropriate*. The company does not currently apply hedge accounting for interest rate derivatives.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

**(iii) Offsetting**

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**Provisions for liabilities and charges**

A provision is recognised in the Balance Sheet when there is a constructive or legal obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Provisions are made for dilapidations that may crystallise where, on the basis of the present condition of the property, an obligation already exists. The estimate is revised over the remaining period of the lease to reflect changes in the condition of the building or other changes in circumstances. Provisions for dilapidations are not made for leases which are considered onerous as all future obligations are included in the onerous lease provision. The estimates take account of relevant external advice.

A provision for onerous leases is recognised when the expected benefits to be derived by the group from a lease are lower than the unavoidable cost of meeting its obligations under that lease. This is considered at an individual property level.

## TRILLIUM HOLDINGS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

#### 1. Accounting policies (continued)

##### **Dividends and distributions**

Dividends and distributions to the company's shareholders are recognised as a liability in the period in which the dividends are approved by the company's shareholders or, in the case of interim dividends, when they are paid.

Distributions are also recognised when the company provides long term loans to other group undertakings at below market interest rates. The difference between the discounted value of the loan at the market interest rate and the nominal value of the loan results in the recognised distribution.

##### **Retirement benefits**

The group operates a defined contribution and a defined benefit pension scheme. The assets of both schemes are held separately from those of the group.

##### **Defined contribution scheme:**

The defined contribution scheme is now the only scheme open to new employees. The contributions payable for the year are charged to the Statement of Comprehensive Income.

##### **Defined benefit scheme:**

The group acts as Principal Employer for a pension scheme that provides defined benefit entitlements to the employees of a subsidiary undertaking who transferred from BT and who provide services exclusively to the group and for certain employees who mainly transferred from the Department for Work and Pensions. Independent actuarial valuations are conducted annually as at the year-end, and a retirement benefit obligation/asset is recognised in the balance sheet in respect of the difference between the present value of the defined benefit obligation and the fair value of the scheme asset.

Actuarial gains and losses arising as a result of experience adjustments and/or the effects of changes in actuarial assumptions are recognised in other comprehensive income as and when they occur. Any increase in the present value of plan liabilities expected to arise from employee service during the period is charged to operating profit. Gains and losses resulting from settlements and curtailments are also included in operating profit. Net interest accrued on the plan assets and liabilities is included in interest income or interest expense, accordingly.

Past-service cost is recognised immediately to the extent that benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested.

Gains or losses arising on scheme transfers are recognised in the Statement of Comprehensive Income.

##### **Capital reserves**

Transfers and liabilities from a subsidiary undertaking to a parent undertaking not at market value are treated as a capital contribution and reflected as an Other Reserve within equity in the period of the transfer.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**2. Judgements in applying accounting policies and key sources of estimation uncertainty**

*The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions in certain circumstances that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from these estimates. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.*

**Valuation of investments**

The company reviews the carrying value of its investment in subsidiaries at each balance sheet date with reference to the net asset value in each subsidiary's latest financial statements and also to forecast future cash flows. The valuation of the investment properties in the subsidiaries underpins the net asset value. Therefore, judgement is required on the value of the investment properties within the group.

**Property valuations**

Properties, including those owned by the pension scheme, are valued both internally and externally by a qualified chartered surveyor. Valuations are made as at the reporting date and conform to International Valuation Standards. Valuations are made using various assumptions and estimations which include, but are not limited to, market yields, transaction prices of similar properties, tenure and tenancy details. The stock properties are valued to assess whether any impairments are required to stock carrying values. In the year to 31 March 2021, no impairment was recognised on the carrying values on the stock properties.

**Deferred Tax**

The group has to recognise deferred tax on the groups revaluation gain. Properties are valued by a qualified chartered surveyor. Valuations are made as at the reporting date and conform to International Valuation Standards. Valuations are made using various assumptions and estimations, which include, but are not limited to, market yields, transaction prices of similar properties, tenure and tenancy details.

**Trade and other debtors**

The group reviews trade and other debtors and makes judgements on the recoverability of these debtors with reference to the age of outstanding amounts and credit status.

**Derivative financial instruments**

The group holds derivative financial instruments to hedge its interest rate risk exposures. All derivatives are recognised initially at fair value. Thereafter, derivatives are measured at fair value with changes recognised in profit or loss as part of finance costs. Fair value is estimated based on price quotations from financial institutions active in the relevant market.

**Provisions**

Provisions for onerous leases and dilapidations are based on estimated future cash flows at a property level. Judgements are exercised with regard to expenses that are expected to be incurred, sub-letting profiles (in the case of onerous leases) and discount rates applied to future cash flows. Provisions are also made for historic and future life cycle expenditure that may crystallise at the end of the contract with the DVLA and future life cycle expenditure that may crystallise at the end of the contract with Aviva. Judgements are exercised with regard to the expected expenses to be incurred and discount rates applied to future cash flows.

**Defined benefit pension scheme**

The group has an obligation to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends.



## TRILLIUM HOLDINGS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

#### 3. Turnover

An analysis of turnover by class of business is as follows:

	2021 £000	2020 £000
Property services income	33,874	36,104
Capital projects	5	2,689
Third party rents	38,373	43,514
Other income	15,563	14,444
Management fee income	25,571	24,145
Disposals of properties held for sale	1,613	5,922
	<u>114,999</u>	<u>126,818</u>

All turnover arose within the United Kingdom.

#### 4. Operating profit/(loss)

Operating profit/(loss) is stated after charging:

	2021 £000	2020 £000
Depreciation of tangible fixed assets	308	232
Amortisation of goodwill	4,027	4,027
Plant and machinery operating lease rentals	12	12
Other operating lease rentals	19,388	22,705
Cost of properties disposed	<u>1,281</u>	<u>3,462</u>

#### 5. Auditors' remuneration

In the year ended 31 March 2021, the audit fee for the entire Telereal Trillium group of companies was paid and borne by the group. The total audit fee amount for the Telereal Trillium group and Trillium Holdings Limited, the company, is disclosed below.

	2021 £000	2020 £000
<b>Fees payable to the group's auditors and their associates in respect of:</b>		
Company	59	39
Subsidiaries	<u>269</u>	<u>192</u>
 Fees payable to the group's auditors and their associates for the audit of the group's annual financial statements	 <u>1,150</u>	 <u>820</u>

**TRILLIUM HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**6. Staff costs**

Staff costs were as follows:

	2021 £000	2020 £000
Wages and salaries	30,445	38,035
Social security costs	3,995	4,984
Other pension costs	1,165	1,346
	<u>35,605</u>	<u>44,365</u>

The average number of employees, including the directors, during the year was as follows:

	2021 No.	2020 No.
Operational	175	183
Administration	23	23
	<u>198</u>	<u>206</u>

All employees were employed in the United Kingdom.

**TRILLIUM HOLDINGS LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021****7. Directors' remuneration**

	2021 £000	2020 £000
Aggregate emoluments excluding long term incentive scheme and pensions	259	266
Aggregate amounts receivable under long term incentive schemes	2,866	2,011
Payments to defined contribution pension schemes	4	4
Payments to former directors	275	147
	<u>3,404</u>	<u>2,428</u>

One (2020: one) director is a member of a defined contribution pension scheme, and no (2020: no) directors are accruing benefits in respect of a defined benefit scheme.

The highest paid director received remuneration of £1,256,000 (2020: £927,000).

The value of the group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £nil (2020: £nil).

Directors are remunerated by group companies.

**8. Net movement in valuation of properties**

	2021 £000	2020 £000
Revaluation of investment properties	(2,832)	(2,051)
Loss on disposal of properties	(559)	(4,569)
	<u>(3,391)</u>	<u>(6,620)</u>

**9. Interest receivable and similar income**

	2021 £000	2020 £000
Interest receivable from group companies	41,000	43,977
Change in fair value of interest rate swaps	1,738	405
Other interest receivable and similar income	6,789	7,883
	<u>49,527</u>	<u>52,265</u>

**TRILLIUM HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**10. Interest payable and similar expenses**

	2021 £000	2020 £000
Bank interest payable	3,789	4,584
Interest on loans from group companies	7,099	8,762
Unwind of discount of provisions (note 22)	475	653
Other interest payable and finance charges	3,799	1,162
	<u>15,162</u>	<u>15,161</u>

**11. Tax on profit**

	2021 £000	2020 £000
<b>Corporation tax</b>		
Current tax on profits for the year	11,515	10,190
Adjustments regarding prior year	(278)	(1,605)
<b>Total current tax</b>	<u>11,237</u>	<u>8,585</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	329	577
Adjustments regarding prior year	(435)	121
<b>Total deferred tax</b>	<u>(106)</u>	<u>698</u>
<b>Taxation on profit</b>	<u>11,131</u>	<u>9,283</u>

## TRILLIUM HOLDINGS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

#### 11. Tax on profit (continued)

##### Factors affecting tax charge for the year

The tax charge for the year can be reconciled to the profit per the Statement of Comprehensive Income as follows:

	2021 £000	2020 £000
Profit before tax	56,537	24,510
Profit before tax multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	10,743	4,657
<b>Effects of:</b>		
Expenses not deductible	844	5,224
Permanent differences	-	1,023
Tax losses (utilised)/unutilised	(851)	2,866
Other timing differences	229	(448)
Capital gains	-	405
Revaluation of property	538	(303)
Loss on disposals	105	(1,807)
Adjustments regarding prior year	(713)	(1,484)
Rate changes	-	(859)
Other	236	9
<b>Total tax charge for the year</b>	<b>11,131</b>	<b>9,283</b>

##### Factors that may affect future tax charges

On 11 March 2021, the 2021 Budget announced an increase in the rate of UK corporation tax, effective from 1 April 2023, from 19% to 25%.

#### 12. Dividends and distributions

In March 2021, the company received a dividend of £248,659,000 from its subsidiary, Trillium (PRIME) Holdings Limited. Subsequent to receiving the dividend, the company made a distribution of £165,000,000 to its parent company; London Wall Outsourcing Limited.

In the year ended 31 March 2020, the company provided a 10 year interest free loan of £36,525,000 to TT CDR Holdings Limited, a fellow group undertaking. The difference between the discounted value of the loan at the market interest rate and the nominal value of the loan, £9,616,000, has been treated as a distribution paid by the company.

**TRILLIUM HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**13. Intangible assets**

**Group**

	Goodwill £000
<b>Cost</b>	
At 1 April 2020	80,546
At 31 March 2021	<u>80,546</u>
<b>Accumulated amortisation</b>	
At 1 April 2020	34,232
Charge for the year	4,027
At 31 March 2021	<u>38,259</u>
<b>Net book value</b>	
At 31 March 2021	<u>42,287</u>
At 31 March 2020	<u>46,314</u>

**TRILLIUM HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**14. Tangible assets**

**Group**

	S/Term Leasehold Improvement £000	Plant and Machinery, Furniture and equipment £000	Total £000
<b>Cost</b>			
At 1 April 2020	8,794	1,942	10,736
Additions	-	607	607
Disposals	-	(216)	(216)
At 31 March 2021	8,794	2,333	11,127
<b>Accumulated depreciation</b>			
At 1 April 2020	8,602	861	9,463
Charge for the year	54	254	308
Disposals	-	(216)	(216)
At 31 March 2021	8,656	899	9,555
<b>Net book value</b>			
At 31 March 2021	138	1,434	1,572
At 31 March 2020	192	1,081	1,273

TRILLIUM HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021

15. Investment property

Group

	Freehold investment property £000	Short term leasehold investment property £000	Total £000
<b>Valuation</b>			
At 1 April 2020	255,132	372	255,504
Additions at cost	17,768	-	17,768
Disposals	(7,522)	(384)	(7,906)
Deficit on revaluation	(2,832)	-	(2,832)
Transfers between classes	(157)	157	-
<b>At 31 March 2021</b>	<b>262,389</b>	<b>145</b>	<b>262,534</b>

The fair value of the group's investment properties at 31 March 2021 and 31 March 2020, have been arrived at on the basis of a valuation carried out by a combination of external and internal valuers. The external valuation was performed at that date by CBRE Limited, independent valuers. The valuation by CBRE Limited, which conforms to International Valuation Standards, was arrived at by reference to market evidence of transaction prices of similar properties. The internal valuations were performed by a chartered surveyor who is a member of the Royal Institution of Chartered Surveyors (RICS). The valuations are prepared in accordance with the valuation principles of the Appraisal and Valuation Manual of the Royal Institution of Chartered Surveyors.



**TRILLIUM HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**16. Investments**

**Company**

	Investments in subsidiary companies £000
<b>Cost</b>	
At 1 April 2020	591,272
At 31 March 2021	<u>591,272</u>
<b>Impairment</b>	
At 1 April 2020	15,125
Charge for the year	459
At 31 March 2021	<u>15,584</u>
<b>Net book value</b>	
At 31 March 2021	<u><u>575,688</u></u>
At 31 March 2020	<u><u>576,147</u></u>

During the year, the company impaired its holding in Manston Properties Limited a subsidiary undertaking, by £459,000.

In the opinion of the directors, the value of the investments is not less than the amount at which they are shown in the company's balance sheet.

TRILLIUM HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021

17. Debtors

	Group	Group	Company	Company
	2021	2020	2021	2020
	£000	£000	£000	£000
<b>Due after more than one year</b>				
Amounts owed by group undertakings	34,024	194,796	28,737	192,490
Other debtors	31,696	38,405	-	-
Deferred tax asset (note 21)	6,253	6,847	-	-
Prepayments and accrued income	5,713	5,398	-	-
	<u>77,686</u>	<u>245,446</u>	<u>28,737</u>	<u>192,490</u>
<b>Due within one year</b>				
Trade debtors	3,830	8,748	-	177
Amounts owed by group undertakings	1,389,566	1,268,282	978,381	712,556
Other debtors	22,075	11,458	1	2
Tax recoverable	-	-	5,070	5,120
Prepayments and accrued income	14,897	68,162	578	52
	<u>1,508,054</u>	<u>1,602,096</u>	<u>1,012,767</u>	<u>910,397</u>

Included within other debtors are capital works funded by the group on behalf of Aviva and DVLA, which is recoverable from the clients over the remaining years of the contracts. The gross amounts in the table below represent the total amount receivable; the net amounts are after deduction of interest to future periods.

	Gross	Net	Gross	Net
	2021	2021	2020	2020
	£000	£000	£000	£000
<b>Other debtors</b>				
Other debtors	52,952	38,742	63,125	44,661
	<u>52,952</u>	<u>38,742</u>	<u>63,125</u>	<u>44,661</u>
<b>Maturity of other debtors</b>				
Within one year	12,645	7,046	12,200	6,256
Between one and five years	38,783	30,332	49,013	36,765
After more than five years	1,524	1,364	1,912	1,640
	<u>52,952</u>	<u>38,742</u>	<u>63,125</u>	<u>44,661</u>

## TRILLIUM HOLDINGS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

#### 17. Debtors (continued)

##### Group

Amounts owed by group undertakings falling due after more than one year are unsecured. £28,737,000 (2020: £27,883,000) is interest free and the amount has been discounted to present value at 3.5% per annum. The remaining amounts accrue interest at the base lending rate of Barclays Bank PLC plus 3% per annum. The company has confirmed that it will not call for repayment on these loans for at least one year and until the counterparties have sufficient resources to repay the loans.

Included in amounts owed by group companies is a loan of £80,000,000 (2020: £80,000,000) to London Wall Outsourcing Limited, a fellow group undertaking. The loan is repayable on demand with a fixed rate interest receivable of 4.56% per annum. In addition, amounts totalling £235,881,000 (2020: £176,430,000) are unsecured, interest free and repayable on demand.

All other amounts owed by group undertakings are unsecured and repayable on demand. Interest was received on these balances at the base lending rate of Barclays Bank PLC plus 3% per annum (2020: base lending rate of Barclays Bank PLC plus 3% per annum).

As at 31 March 2021, the group recorded overdue, but not impaired, balances of £4,644,000 (2020: £4,426,000). Of these balances £2,512,000 (2020: £322,000) is less than three months overdue and £993,000 (2020: £900,000) is more than 12 months old.

On 31 March 2018, at the end of the PRIME contract, the DWP exercised its option to purchase furniture and equipment on the occupied estate at market value under the terms of the contract. The group has been in formal discussions with the DWP with the aim of concluding a number of outstanding issues in relation to the PRIME contract, including the receivable in respect of furniture and equipment. During the year, the group reached a settlement on this and a number of other matters relating to the contract. In the year to Mar-20 the group recognised £52,500,000 within prepayments and accrued income in respect of this settlement and an impairment of £20,800,000 was recognised within the consolidated Statement of Comprehensive Income as an exceptional item.

##### Company

Amounts owed by group undertakings are unsecured and payable on demand. Interest was accrued on these balances at the base lending rate of Barclays Bank PLC plus 3% per annum (2020: the base lending rate of Barclays Bank PLC plus 3% per annum).

There are no material differences between the carrying value and fair value of trade and other debtors as at 31 March 2021 and 31 March 2020.

#### 18. Cash at bank and in hand

	Group 2021 £000	Group 2020 £000	Company 2021 £000	Company 2020 £000
Cash at bank	54,306	53,524	2	3
Money market deposits	-	100	-	100
Tenant deposits	1,726	1,542	280	42
	<u>56,032</u>	<u>55,166</u>	<u>282</u>	<u>145</u>

Tenant deposits are held by Barclays Bank PLC in Trustee controlled restrictive bank accounts.

Overnight money market deposits earn interest at daily market rates.

# TRILLIUM HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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

	Group	Group	Company	Company
	2021	2020	2021	2020
	£000	£000	£000	£000
Bank loans (note 23)	52,080	42,255	-	-
Trade creditors	8,559	9,890	-	-
Amounts owed to group undertakings	548,197	535,731	1,186,368	1,171,633
Loans from group undertakings (note 23)	19,366	24,483	3,866	20,880
Corporation tax	6,044	4,048	-	-
Other taxation and social security	1,286	1,460	-	-
VAT payable	11,814	3,616	-	-
Other creditors	1,745	3,217	317	99
Accruals and deferred income	65,565	69,174	480	-
	<u>714,656</u>	<u>693,874</u>	<u>1,191,031</u>	<u>1,192,612</u>

#### Group

Included in amounts owed to group undertakings are amounts totalling £498,463,000 (2020: £451,104,000) which are unsecured, interest free and repayable on demand.

Other amounts due to group undertakings are unsecured and payable on demand. Interest was paid on these balances at the base lending rate of Barclays Bank PLC plus 3% per annum (2020: the base lending rate of Barclays Bank PLC plus 3% per annum).

There are no material differences between the carrying value and fair value of trade and other creditors as at 31 March 2021 and 31 March 2020.

#### Company

Amounts due to group undertakings are unsecured and payable on demand. Interest was paid on these balances at the base lending rate of Barclays Bank PLC plus 3% per annum (2020: the base lending rate of Barclays Bank PLC plus 3% per annum).

There are no material differences between the carrying value and fair value of trade and other creditors as at 31 March 2021 and 31 March 2020.

**TRILLIUM HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**20. Creditors: amounts falling due after more than one year**

	Group 2021 £000	Group 2020 £000	Company 2021 £000	Company 2020 £000
Bank loans (note 23)	48,898	61,237	-	-
Amounts owed to group undertakings	35,868	-	-	-
Loans from group undertakings (note 23)	141,184	151,861	48,346	52,212
Fair value of interest rate swaps	2,322	4,060	-	-
Accruals and deferred income	1,689	1,806	163	-
	<u>229,961</u>	<u>218,964</u>	<u>48,509</u>	<u>52,212</u>

**21. Deferred tax**

	2021 £000	2020 £000
At beginning of year	6,847	7,432
Charged/(released) to profit or loss	106	(698)
Deferred tax on actuarial (losses)/gains	(700)	113
	<u>6,253</u>	<u>6,847</u>

The deferred tax asset is made up as follows:

	2021 £000	2020 £000
Accelerated capital allowances	(2,030)	(1,933)
Other timing differences	5,874	3,645
Capital gains	-	2,224
Fair value of swaps	1,084	1,002
Pension deficit	1,325	1,909
	<u>6,253</u>	<u>6,847</u>

# TRILLIUM HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

### 22. Provisions

#### Group

	Dilapidations £000	Life Cycle Capital Expenditure £000	Onerous Leases £000	Other £000	Total £000
At 1 April 2020	4,397	529	12,994	2,130	20,050
(Released)/charged to profit to loss	(393)	5	479	103	194
Unwinding of discount	109	-	314	93	516
Utilised in year	(258)	-	(2,956)	-	(3,214)
<b>At 31 March 2021</b>	<b>3,855</b>	<b>534</b>	<b>10,831</b>	<b>2,326</b>	<b>17,546</b>

#### Dilapidations

A provision for dilapidations is made in respect of certain non-onerous leasehold properties where it is anticipated that future expenditure will be incurred at the end of the lease. The amounts provided are based on the current estimate of the future costs determined on the basis of the present condition of the relevant properties. Settlement of the amounts provided occurs once agreement is reached with the parties to the lease. In arriving at these provisions, the expected cash flows have been discounted at a risk adjusted rate of 2.50% pa (2020: 2.50% pa).

#### Life cycle capital expenditure

The life cycle capital expenditure provision arises from amended contractual arrangements with the DVLA for regional offices previously occupied.

#### Onerous leases

An onerous lease provision is established in respect of leasehold properties that are unoccupied or for which the expected future rental income is not expected to meet the rental obligations. Onerous lease provisions are based on assumptions about expected future rentals and voids. This provision will be settled as the net rental obligations develop. The provision may vary based on the reassessment of the relevant assumptions as circumstances change and new obligations are established. Expected cash flows have been discounted at a risk adjusted rate of 2.50% pa (2020: 2.50% pa) and the provision is expected to be utilised over the life of the relevant property leases.

#### Other provisions

Provisions have been made in respect of future life cycle capital expenditure related to the contract with DVLA and Aviva. The amounts provided are based on the current estimate of the future costs determined on the basis of the present condition of the relevant properties. Settlement of the amounts provided will occur once agreement is reached with the DVLA/Aviva. In arriving at the provision, the expected cash flows have been discounted at a risk free rate of 2.50% per annum (2020: 2.50% per annum). These provisions are expected to be utilised towards the end of the contracts with the DVLA and Aviva.

TRILLIUM HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021

23. Loans and borrowings

	Secured/ unsecured	Fixed/ floating	Effective interest rate %	2021 £000	2020 £000
<b>Group</b>					
<b>Bank loans</b>					
£45,000,000 facility - due 03/2025 - LIBOR + 2.2%	Secured	Fixed	4.0935%	40,455	39,482
£50,700,000 facility - due 02/2022 - LIBOR + 1.85%	Secured	Fixed	3.4500%	40,449	41,880
£25,000,000 facility - due 05/2024 - LIBOR + 1.80%	Secured	Fixed	2.9020%	21,000	23,000
				<hr/>	<hr/>
				101,904	104,362
<b>Fixed term loans due to group undertakings</b>					
£15,500,000 - due 02/2022 - 9.00%	Unsecured	Fixed	9.0000%	15,500	15,500
£80,000,000 facility - due 12/2031 - 4.56%	Secured	Fixed	4.5600%	53,957	57,560
£100,000,000 facility - due 09/2026 - LIBOR + 3.00%	Unsecured	Floating	3.2730%	52,212	52,212
£75,000,000 facility - due 03/2021 - 0%	Unsecured	Fixed	0%	-	20,880
£30,192,000 due 12/2024 - 3.917%	Secured	Fixed	3.9170%	38,881	30,192
				<hr/>	<hr/>
				160,550	176,344
<b>Total loans and borrowings</b>					
Less: unamortised issue costs				(926)	(870)
<b>Total loans and borrowings</b>				<hr/>	<hr/>
				261,528	279,836

# TRILLIUM HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

### 23. Loans and borrowings (continued)

#### Company

The company has a fixed term amount due to group undertakings at year end of £52,212,000 (2020: £52,212,000). The original loan amount was for £99,712,000 and it is unsecured. The loan bears interest at base lending rate of LIBOR plus 3.0% and matures in September 2026.

In addition, the company has a fixed term amount due to group undertakings at year end of £nil (2020: £20,880,000). The loan is unsecured, interest free and matures in March 2021.

	Group 2021 £000	Group 2020 £000	Company 2021 £000	Company 2020 £000
<b>Maturity of financial liabilities</b>				
Within one year	56,225	67,064	-	20,880
Between one and five years	157,833	157,495	52,212	52,212
More than five years	48,397	56,147	-	-
	<u>262,455</u>	<u>280,706</u>	<u>52,212</u>	<u>73,092</u>

Loans where security has been provided are secured against either specific assets or cash flows within the group. Amounts due greater than 5 years are all repayable by instalments.

Investment properties valued at £58,280,000 (2020: £28,388,000) and properties held for sale at a carrying value of £4,929,000 (2020: £6,418,000) have been used as security against a loan taken out by Telereal Investment Properties Limited, a fellow group undertaking.

Listed on the International Stock Exchange are Eurobonds of £67,712,000 (2020: £67,712,000).



TRILLIUM HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021

24. Financial instruments

	Group 2021 £000	Group 2020 £000	Company 2021 £000	Company 2020 £000
<b>Financial assets that are debt instruments measured at amortised costs</b>				
Trade debtors	3,829	8,748	-	177
Amounts owed by group undertakings	1,423,590	1,463,078	1,007,118	905,046
Other debtors	53,771	49,863	1	2
Cash and cash equivalents	56,032	55,166	281	145
Accrued income	12,475	68,365	579	52
	<u>1,549,697</u>	<u>1,645,220</u>	<u>1,007,979</u>	<u>905,422</u>
<b>Financial liabilities</b>				
<b>Financial liabilities measured at fair value through profit or loss:</b>				
Interest rate swaps	2,322	4,060	-	-
<b>Financial liabilities measured at amortised cost:</b>				
Bank loans	100,978	103,492	-	-
Trade creditors	8,559	9,890	-	-
Amounts owed to group undertakings	744,615	712,075	1,186,368	1,244,725
Other creditors	1,745	3,217	317	99
Accruals	65,326	54,810	480	-
	<u>923,545</u>	<u>887,544</u>	<u>1,187,165</u>	<u>1,244,824</u>

**Financial instruments - Interest rate swaps**

The group has swaps in place to hedge the interest rate risk on bank loans. This has the effect of fixing the base lending rate of Barclays Bank PLC according to a stepped profile over time at effective rates ranging from 3.45% pa to 5.268% pa. All swaps are out of the money and show a combined fair value of £2,322,000 (2020: £4,060,000). The aggregate notional principal of the outstanding swap contracts at 31 March 2021 was £102,872,000 (2020: £109,982,000).

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**
**25. Pension liability**
**Defined contribution scheme**

The group's defined contribution scheme is the only scheme open to new employees. The contributions payable for the year, which amounted to £1,165,000 (2020: £1,397,000), were charged to the Statement of Comprehensive Income. No amounts were outstanding as at 31 March 2021 (2020: £nil).

The Group also operates a Defined Benefit Pension Scheme.

**Defined benefit scheme**

The group acts as Principal Employer for a defined benefit scheme in the UK for certain employees who transferred to a subsidiary undertaking from BT and who provide services exclusively to the group, and for certain employees who mainly transferred from the Department for Work and Pensions. A full actuarial valuation was carried out as at 1 January 2018 and updated to 31 March 2021 by Aon, a qualified independent actuary.

The group closed the accrual for future defined benefit service from 31 March 2016 and invited employees to join the Telereal Trillium Stakeholder Plan (the Stakeholder Plan) managed by Royal London from 1 April 2016.

Reconciliation of present value of plan liabilities:

	2021 £000	2020 £000
<b>Reconciliation of present value of plan liabilities</b>		
At the beginning of the year	(127,705)	(140,346)
Interest cost	(3,267)	(3,457)
Actuarial (losses)/gains	(25,151)	11,961
Benefits paid	4,155	4,137
<b>At the end of the year</b>	<b>(151,968)</b>	<b>(127,705)</b>

Reconciliation of present value of plan assets:

	2021 £000	2020 £000
<b>Reconciliation of present value of plan assets:</b>		
At the beginning of the year	117,660	131,462
Interest income	3,005	3,235
Actuarial gains/(losses)	28,839	(12,554)
Benefits paid	(4,155)	(4,137)
Administration expenses	(355)	(346)
<b>At the end of the year</b>	<b>144,994</b>	<b>117,660</b>

**TRILLIUM HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**25. Pension liability (continued)**

Composition of plan assets:

	2021 £000	2020 £000
UK equities	47,995	34,599
Global equities	54,028	37,730
Emerging market debt	11,190	8,269
Asset backed securities	1,813	6,151
Property	27,324	29,609
Cash and accruals	2,644	1,302
<b>Total plan assets</b>	<b>144,994</b>	<b>117,660</b>
	2021 £000	2020 £000
Fair value of plan assets	144,994	117,660
Present value of plan liabilities	(151,968)	(127,705)
<b>Net pension scheme liability</b>	<b>(6,974)</b>	<b>(10,045)</b>

The amounts recognised in profit or loss are as follows:

	2021 £000	2020 £000
Administration expenses	355	346
Interest on net defined benefit liability	262	222
<b>Total</b>	<b>617</b>	<b>568</b>

The cumulative amount of actuarial gains are recognised in the Consolidated Statement of Comprehensive Income was £4,000 (2020 - cumulative losses £3,684,000).

**TRILLIUM HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**25. Pension liability (continued)**

Principal actuarial assumptions at the Balance Sheet date:

	2021	2020
<b>Total return on plan assets</b>		
Discount rate at 31 March	2.10%	2.60%
Inflation (RPI)	3.20%	2.50%
Mortality rates (years)		
- for a male aged 65 now	22.3	22.0
- at 65 for a male aged 45 now	23.6	23.5
- for a female aged 65 now	23.9	23.5
- at 65 for a female member aged 45 now	25.4	25.1

Defined benefit pension schemes

	2021 £000	2020 £000	2019 £000	2018 £000	2017 £000
Defined benefit obligation	(151,968)	(127,705)	(140,346)	(136,232)	(140,666)
Scheme assets	144,994	117,660	131,462	124,810	122,701
<b>Deficit</b>	<u>(6,974)</u>	<u>(10,045)</u>	<u>(8,884)</u>	<u>(11,422)</u>	<u>(17,965)</u>
Experience adjustments on scheme liabilities	(25,151)	11,961	(4,072)	4,854	(19,936)
Experience adjustments on scheme assets	<u>28,839</u>	<u>(12,554)</u>	<u>7,731</u>	<u>2,679</u>	<u>17,985</u>

## TRILLIUM HOLDINGS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

#### 26. Related party transactions

The company has taken advantage of the exemption provided by paragraph 33.1A of FRS 102 not to disclose transactions with wholly owned entities that are part of the group owned by Tele-Finance Holdings Limited.

Other than those disclosed elsewhere in the financial statements, during the year, the group had the following related party transactions:

	2021 £000	2020 £000
Interest payable to related parties	72	107
Interest receivable from related parties	(2,112)	(349)
Amounts owed by related parties at year end	103,492	55,448
Amounts owed to related parties at year end	-	(2,852)

Other than those disclosed elsewhere in the financial statements, the amounts included above, in respect of current and past fellow group undertakings, relate to:

Telereal (Brentwood) Limited  
Telereal Property Developments 1 Limited  
Lands Improvement Group Limited  
Tele-Lands Improvement Limited

#### 27. Called up share capital

	2021 £000	2020 £000
<b>Allotted, called up and fully paid</b>		
25,300,000 (2020 - 25,300,000) Ordinary shares of £1.00 each	25,300	25,300

#### 28. Commitments under operating leases

At 31 March 2021 and 31 March 2020, the group had future minimum lease payments under non-cancellable operating leases as follows:

	Land and buildings 2021 £000	Land and buildings 2020 £000	Other 2021 £000	Other 2020 £000
Within 1 year	20,319	21,271	12	12
Later than 1 year and not later than 5 years	63,350	71,951	9	21
Later than 5 years	60,150	71,656	-	-
	<u>143,819</u>	<u>164,878</u>	<u>21</u>	<u>33</u>

## **TRILLIUM HOLDINGS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

#### **29. Contingent liabilities**

Trillium Holdings Limited acts as a guarantor for a number of subsidiary undertakings in respect of certain commercial contracts in the normal course of business. The likelihood of liabilities arising from these guarantees is low and not expected to be material.

#### **30. Controlling party**

Trillium Holdings Limited is a wholly owned subsidiary of London Wall Outsourcing Limited, which is the immediate parent of the company. London Wall Outsourcing Limited is the smallest company to consolidate the results of the company. The ultimate parent undertaking, incorporated in England and Wales, to consolidate the results of the company is Telereal (LW) Holdings Limited.

The ultimate parent undertaking and controlling party is Field Nominees Limited (incorporated in Bermuda), as nominee for the B Pears Family Trust. The largest parent undertaking to consolidate these financial statements is Tele-Finance Holdings Limited, which is incorporated in the British Virgin Islands.

The annual report and financial statements of London Wall Outsourcing Limited and Telereal (LW) Holdings Limited may be obtained from the Company Secretary, 140 London Wall, London EC2Y 5DN, which is also the registered office and principal place of business of Trillium Holdings Limited.

#### **31. Post balance sheet events**

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. Since the proposal to increase the rate to 25% had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements.

However, it is likely that the overall effect of the change, had it been substantively enacted by the balance sheet date, would be to decrease the tax expense for the period by £1,975,000 and to increase the deferred tax asset by £1,975,000.

## TRILLIUM HOLDINGS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

#### 32. Subsidiaries

The company holds direct and indirect investments of 100% of the nominal value of any class of share of subsidiary undertakings. All subsidiary undertakings operate in Great Britain and are registered in England and Wales except for Telereal Walton Limited, which is incorporated in Jersey. The wholly owned group undertakings at 31 March 2021 are as follows:

Trillium (PRIME) Holdings Limited - (Holding company)\*  
Trillium (PRIME) Project Holdings Limited - (Holding company)  
Trillium (PRIME) Property GP Limited - (Property management and services)  
Trillium (PRIME) Limited - (Property management and services)  
Trillium Property Services (PRIME) Limited - (Property management and services)  
Trillium (PRIME) Furniture Limited - (Dormant company)  
Trillium Group Limited - (Dormant company)\*  
Trillium Bastion House Limited - (Property management and services)\*  
Trillium Property Services Limited - (Overhead and service company)\*  
PPM Holdings Limited - (Dormant company)\*  
Trillium (Media Services) Limited - (Non-trading company)  
Telereal Walton Limited - (Holding company)\*  
Telereal Limited - (Dormant company)  
Telereal Telecom Services Limited - (Overhead and service company)  
Telereal Services Limited - (Overhead and service company)  
Telereal Developments Limited - (Property management and services)  
Telereal Ventures Limited - (New business opportunities)  
Telereal Holdings Limited - (Holding company)  
Telereal General Freehold Nominee Limited - (Nominee company)  
Telereal Securitised Freehold Nominee Limited - (Nominee company)  
Telereal Freehold Nominee Company Limited - (Nominee company)  
Trillium (Horizon) Limited - (Property management and services)\*  
Trillium (Horizon) Leaseholds Limited - (Property management and services)  
Trillium (Horizon) Other Properties Limited - (Dormant company)\*  
Telereal Trillium Limited - (Dormant company)\*  
Trillium Limited - (Dormant company)\*  
Trillium (Lancaster) Newco 50 Limited - (Dormant company)\*  
Trillium (DV1A) Limited - (Property management and services)\*  
Trillium New Business Limited - (Dormant company)\*  
Telereal 112 Property Limited - (Property management and services)\*  
Trillium (Eagle) Limited - (Property management and services)\*  
Trillium UK Limited - (Dormant company)\*  
Trillium Development (Services) Limited - (Dormant company)\*  
Trillium (RMH) Limited - (Holding company)\*  
Trillium (RML) Limited - (Property management and services)  
Trillium (RMF) Limited - (Property management and services)  
Trillium Property Trading Limited - (Property management and services)\*  
Telereal Property Partners Limited - (Holding company)\*  
Telereal Trading Property Limited - (Property management and services)\*  
Telereal (Caledonian) Limited - (Property management and services)\*  
Manston Properties Limited - (Property management and services)\*  
Tele-Bonnar (NA) Limited (Dormant company)\*

\* Direct holding

## **TRILLIUM HOLDINGS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

#### **32. Subsidiaries (continued)**

In addition, through the subsidiaries listed above, the company owns a 100% interest in Trillium (PRIME) Property Limited Partnership, a dormant entity which operates in Great Britain and is registered in England and Wales.

The company has a 68.75% indirect holding in Telereal (Brentwood) Limited, a property management and services company. The company operates in Great Britain and is registered in England and Wales.

All entities, other than Telereal Walton Limited, are registered at 140 London Wall, London, EC2Y 5DN. The registered office of Telereal Walton Limited is Ogier House, The Esplanade, St Helier, JE4 9WG, Jersey.

Certain of the subsidiaries listed above did not have their financial statements for the year-ended 31 March 2021 (or other year-end as stated below) audited as they have taken an exemption under section 479A of the Companies Act 2006. Those subsidiaries are:

- Telereal (Brentwood) Limited (year-end 31 August 2021)
- Telereal 112 Property Limited
- Telereal Developments Limited
- Telereal Holdings Limited
- Telereal Property Partners Limited (year-end 30 September 2021)
- Telereal Ventures Limited
- Trillium (Eagle) Limited
- Trillium (Lancaster) NewCo 50 Limited
- Trillium (Prime) Holdings Limited
- Trillium (Prime) Project Holdings Limited
- Trillium Bastion House Limited