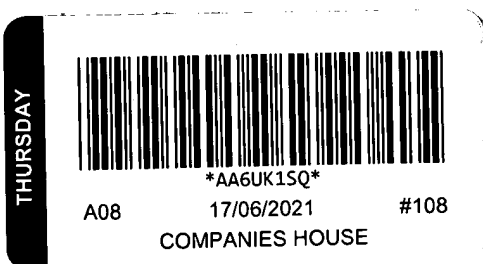


Registered number: 03487308

TRILLIUM HOLDINGS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020



TRILLIUM HOLDINGS LIMITED

CONTENTS

	Page
Group Strategic Report	1 - 7
Directors' Report	8 - 9
Independent Auditors' Report	10 - 15
Consolidated Statement of Comprehensive Income	16
Consolidated Balance Sheet	17 - 18
Company Balance Sheet	19
Consolidated Statement of Changes in Equity	20 - 21
Company Statement of Changes in Equity	22
Consolidated Statement of Cash Flows	23 - 24
Notes to the Financial Statements	25 - 59

TRILLIUM HOLDINGS LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2020

The directors present their Strategic Report for Trillium Holdings Limited (the "company") and its subsidiaries (together, the "group") for the year ended 31 March 2020.

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. In June 2020, 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. As a result the group has recognised £52,500,000 (2019: £73,300,000) within prepayments and accrued income and an impairment of £20,800,000 (2019: £51,726,000) has been recognised in the consolidated Statement of Comprehensive Income. On 26 June 2020 the group received a payment from DWP which included £52,500,000 in respect the furniture and equipment. The group is working with DWP to resolve the remaining contract issues and remains its landlord in those properties it 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 £126,818,000 (2019 restated: £134,474,000).

Operating loss after property disposals and revaluations was £12,594,000 (2019 restated: loss of £32,577,000). The group's properties were revalued at 31 March 2020, resulting in a net loss in the consolidated Statement of Comprehensive Income of £2,051,000 (2019: gain of £4,850,000). Loss on disposal of properties was £4,569,000 (2019: loss of £141,000).

The group reported net finance income for the year of £37,104,000 (2019: income of £47,334,000, including exceptional finance income).

The group reported total comprehensive income for the year of £14,747,000 (2019 restated: £20,180,000) in the year ended 31 March 2020.

At 31 March 2020, the group's total equity was £1,025,413,000 (2019 restated: £1,020,282,000), an increase of £5,131,000 since the prior year.

At the year end, the group's non-controlling interest was £1,026,000 (2019: £1,307,000).

TRILLIUM HOLDINGS LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

Principal activities and business review (continued)

Going concern and COVID-19

The group has net assets of £1,025,413,000 at 31 March 2020.

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 2020. 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.

At 31 Mar 2020 the company has net current liabilities of £282,070,000. Because the company has ownership of a group with consolidated net current assets of £971,381,000, it is able to call on the resources of its subsidiary companies should it require those resources to meet its liabilities. At 31 March 2020, the group recognised net current assets of £971,381,000. 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.

Material valuation uncertainty

In light of the COVID-19 pandemic the Royal Institution of Chartered Surveyors (RICS) announced that valuations performed as at 31 March 2020 should include a 'material valuation uncertainty' clause. This does not mean that the valuation cannot be relied upon, but it ensures transparency of the fact that in the unprecedented circumstances which existed at the balance sheet date, less certainty can be attached to the valuation than would otherwise be the case.

Future developments and post balance sheet events

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

On 26 June 2020, the group reached a commercial settlement with the DWP to conclude a number of matters outstanding from the end of the PRIME contract, resulting in a net receipt of £51,717,000 (excluding VAT). The commercial settlement also resulted in the group accepting that it would indemnify DWP for the cost associated with certain leases, a position which was not reflected in the prior year financial statements. As such these financial statements contain a restatement of the prior year numbers to correct for the treatment of costs and income associated with those leases (refer to note 30 to the financial statements for further details).

In July 2020, Trillium (DV1A) Limited, a subsidiary undertaking, refinanced its debt settling the previous loan and entered into a new fully amortising £45,000,000 loan facility, secured on the cash flows of the company, maturing in March 2025. The interest rate is LIBOR plus margin of 2.2%, fully hedged by interest rate swaps, resulting in an effective interest rate of 4.0935% per annum.

TRILLIUM HOLDINGS LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

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 assets and loans to other 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 2020

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 has achieved sustainable returns to shareholders by providing a return on their investment through its profitable and cash generative activities while continuing to maintain a healthy working capital position. The group maintains the highest practicable standards of health and safety supported by external benchmarking and accreditation, including Occupational Health and Safety Assessment Series (OHSAS) 18001 certification.

TRILLIUM HOLDINGS LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

S172 Compliance Statement

For the first time 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 Company 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 company's business relationships with suppliers, customers and others, and the effect of that regard, including on the principal decisions taken by the company during the financial year. An example of a principal decision taken during the financial year is the decision to dispose of a number of the group's DWP occupied properties (refer to note 16 to the financial statements for further details).

TRILLIUM HOLDINGS LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020**

S172 Compliance Statement (continued)

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

Stakeholder	How the Board has considered their s172 obligations
Customers	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.
Employees	<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.</p> <p>Training & 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>
Communities and environment	<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.</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>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>

TRILLIUM HOLDINGS LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020**

Stakeholder	How the Board has considered their s172 obligations
Investors	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
Suppliers	<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.</p> <p>We annually review our existing top 100 suppliers categorised by annual spend to ensure that they have made the commitments we require in relation to such matters as their anti-bribery policies, modern slavery procedures and insurance arrangements.</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 any gifts and hospitality 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 14 May 2021 and signed on its behalf.



Aaron Burns
Company Secretary

TRILLIUM HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2020

The directors present their report and the audited consolidated financial statements for the year ended 31 March 2020.

Distributions

During 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.

In the year ended 31 March 2019, the group distributed £10,369,000 to a parent undertaking as a result of a series of agreements with a former group undertaking relating to equipment and fixtures on the DWP occupied estate.

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 £75,000 (2019: £74,000) 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 29 days (2019: 42 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 2020

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.

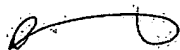
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements 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 14 May 2021 and signed on its behalf.



Aaron Burns
Company Secretary

Independent auditors' report to the members of Trillium Holdings Limited

Report on the audit of the financial statements

Opinion

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

- give a true and fair view of the state of the group's and of the company's affairs as at 31 March 2020 and of the group's profit and 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.

We have audited the 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 2020; the Consolidated Statements of Comprehensive Income, the Consolidated Statements of Cash Flows, and the Consolidated and Company Statements of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

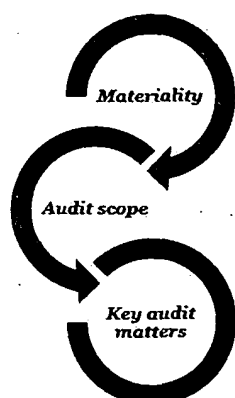
We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit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

Independence

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

Our audit approach

Overview



- Overall group materiality: £39.4 million (2019: £39.2 million), based on 2% of total assets.
 - Overall company materiality: £14.9 million (2019: £13.3 million), based on 1% of total assets.
-
- We have performed sufficient audit procedures over the statutory entities within the Group to obtain coverage of 100% of total assets and 100% of revenues of the Group
 - Valuation of Investment Property (Group)
 - Valuation of investments in subsidiary companies (Parent)
 - Impact of COVID-19 (Group and Parent)
-

The scope of our audit

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

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the 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 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.

<i>Key audit matter</i>	<i>How our audit addressed the key audit matter</i>
<p><i>Property Valuations Group</i></p> <p>Refer to page 34 (Note 2 - Critical accounting estimates and assumptions), page 25 (Note 1 - Accounting policies), page 42 (Note 16 - Investment property), and page 52 (Note 26 - Pension commitments).</p> <p>The group owns a portfolio of investment properties and it's pension scheme owns investment properties within the United Kingdom. The total value of these investment properties at 31 March 2020 was £255.5 million (31 March 2019: £335.3 million) and the value of the pension scheme properties at 31 March 2020 was £29.6 million (31 March 2019: £26.8 million).</p> <p>This has been identified as a key audit matter as the valuation of this property is an inherently complex and judgemental area and it is also the largest balance contained with the financial statements.</p> <p>The valuation of £178.3 million of the investment property portfolio and £29.6 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 £77.2 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.</p> <p>The portfolio contains a number of properties which have been valued via differing techniques based on the individual nature of each asset.</p> <p>For those properties which are currently generating rental income, the income capitalisation method has been utilised to calculate their investment value. 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 which are influenced by prevailing market yields and comparable market transactions, to arrive at the final valuation.</p> <p>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>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.</p> <p><i>Material valuation uncertainty due to COVID-19</i></p> <p>We considered the adequacy of the disclosures made in note 2 (Judgements in applying accounting policies and key sources of estimation uncertainty), Note 16 (Investment properties) and Note 26 (Pension commitments) to the financial statements. These notes explain that the group's valuers reported on the basis of a material valuation uncertainty and consequently that less certainty and a higher degree of caution should be attached to the valuations as at 31 March 2020. We discussed this clause with management and obtained sufficient appropriate audit evidence to demonstrate that management's assessment of the suitability of the inclusion of the valuation in the statement of financial position and disclosures made in the financial statements are appropriate.</p> <p><i>Assessing the valuers' expertise and objectivity</i></p> <p>We assessed both the internal and external valuers' 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.</p> <p><i>Data used by the valuers</i></p> <p>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</p> <p><i>Assumptions and estimates used by the valuers</i></p> <p>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 financial statements.</p>

The group's internal and external valuers have included a material valuation uncertainty clause in their reports. The external valuers, engaged by the group to provide a view on the methodology and key assumptions used within the directors' internal property valuations for certain properties, have also confirmed that if they had performed an external valuation on the properties as at 31 March 2020 they would have included a material valuation uncertainty clause in their report. These clauses highlight that less certainty, and consequently a higher degree of caution, should be attached to the valuations as a result of the COVID-19 pandemic. This represents a significant estimation uncertainty in relation to the valuation of investment properties.

We met with internal and external valuers to discuss and challenge the valuation process, particularly in light of COVID-19, the key assumptions and the rationale behind the more significant valuation movements during the year.

For each portfolio of properties, we assessed 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.

Overall findings

We found that the assumptions and methodology used were consistent with our expectations and that they had been applied appropriately. The disclosures in relation to the material valuation uncertainty within the financial statements are sufficient and appropriate to highlight the increased estimation uncertainty as a result of COVID-19

Valuation of investments in subsidiary companies

Company

Refer to page 30 (Accounting Policies: Investments in Subsidiaries - Note 1), page 34 (Critical accounting estimates and assumptions - Note 2: Valuation of Investments) and page 43 (Notes to the financial statements – Note 17: Investments).

The Company has investments in subsidiary companies of £591.3 million (2019: £579.5 million) as at 31 March 2019.

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.

We obtained the directors' assessment for the value of investments held in subsidiary companies as at 31 March 2020.

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.

Impact of COVID-19

Group and Company

Disclosure of the risk and management's conclusions on the impact of COVID-19 on the company and the group has been included within the Strategic Report.

The outbreak of the novel coronavirus (known as COVID-19) in many countries has rapidly spread and the socio-economic impact is unprecedented. It has been declared as a global pandemic and is had a major impact on economies and financial markets. The efficacy of government measures will materially influence the length of economic disruption, but there is a possibility of a recession in the United Kingdom in the coming years.

In order to assess the impact of COVID-19 on the business, management have prepared an analysis of the potential impact on the revenues, profits, cash flows, operations and liquidity position of the group and company for the next 12 months, and has determined that there is no material uncertainty that casts doubt on the entity's ability to continue as a going concern. This analysis also considered the impact on the assets held by the group including amounts due from investments, group undertakings and accrued income. In this assessment we are comfortable that there are no indications of impairment due to the impacts of Covid-19. The most significant impact to the financial statements has been in relation to the valuation of investment properties. This is described in the Valuation of property key audit matter above.

We obtained management's COVID-19 assessment and evaluated the key judgements and estimates made by management in determining potential outcomes. We undertook the following procedures.

We considered the potential impact on the balance sheet, specifically; we considered the ability of the group to service the external loans and also considered whether any covenants are at risk of being breached within 12 months of signing these accounts. We discovered nothing in this assessment that has impacted our conclusions related to going concern which are later in this audit report.

Our procedures in respect of the Valuation of investment properties are set out in the property valuations key audit matter above.

We do not consider there to be any indicators of material impairment or uncertainty as at the balance sheet date or subsequently.

We reviewed management's disclosures relating to the COVID-19 potential impact and found them to be consistent with the downside scenarios performed.

Overall, we consider the position taken by management to be appropriate

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 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.

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 financial statements as a whole.

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

	<i>Group financial statements</i>	<i>Company financial statements</i>
Overall materiality	£39.4 million (2019: £39.2 million).	£14.9 million (2019: £13.3 million).
How we determined it	2% of total assets.	1% of total assets.
Rationale for benchmark applied	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, these were audited to a local statutory audit materiality that was also less than our overall group materiality.

We agreed with the directors that we would report to them misstatements identified during our audit above £2.0 million (Group audit) (2019: £2.0 million) and £0.7 million (Company audit) (2019: £0.7 million) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

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

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

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

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

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

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 March 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the 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 Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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

In preparing the financial statements, the directors are responsible for assessing the 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 financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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

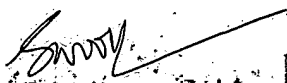
Other required reporting

Companies Act 2006 exception reporting

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the company 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
14 May 2021

TRILLIUM HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2020

	Note	2020 £000	As restated 2019 £000
Turnover	3	126,818	134,474
Operating costs		(111,992)	(119,934)
Exceptional operating costs	18	(20,800)	(51,726)
Net movement in valuation of properties	8	(6,620)	4,609
Operating loss	4	(12,594)	(32,577)
Interest receivable and similar income	9	52,265	51,673
Exceptional finance income	11	-	13,236
Interest payable and similar expenses	10	(15,161)	(17,575)
Profit before taxation		24,510	14,757
Tax on profit	12	(9,283)	2,386
Profit for the financial year		15,227	17,143
Actuarial (losses)/gains on defined benefit pension scheme	26	(593)	3,659
Movement of deferred tax relating to pension gains/(losses)	22	113	(622)
Other comprehensive (loss)/income for the year		(480)	3,037
Total comprehensive income for the year		14,747	20,180
Profit/(loss) for the year attributable to:			
Non-controlling interests		(281)	112
Owners of the parent company		15,508	17,031
		15,227	17,143
Total comprehensive income/(expense) for the year attributable to:			
Non-controlling interests		(281)	112
Owners of the parent company		15,028	20,068
		14,747	20,180

The notes on pages 25 to 59 form part of these financial statements.

TRILLIUM HOLDINGS LIMITED
REGISTERED NUMBER: 03487308

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2020

	Note	2020 £000	As restated 2019 £000
Fixed assets			
Intangible assets	14	46,314	50,341
Tangible assets	15	1,273	1,009
Investment property	16	255,504	335,278
		<u>303,091</u>	<u>386,628</u>
Current assets			
Properties held for sale		7,993	10,823
Debtors	18	1,602,096	1,417,232
Cash at bank and in hand	19	55,166	137,353
		<u>1,665,255</u>	<u>1,565,408</u>
Creditors: amounts falling due within one year	20	(693,874)	(603,933)
Net current assets		<u>971,381</u>	<u>961,475</u>
Total assets less current liabilities		<u>1,274,472</u>	<u>1,348,103</u>
Creditors: amounts falling due after more than one year	21	(218,964)	(290,862)
Provisions for liabilities			
Provisions	23	(20,050)	(28,075)
Pension liability	26	(10,045)	(8,884)
Net assets		<u><u>1,025,413</u></u>	<u><u>1,020,282</u></u>

TRILLIUM HOLDINGS LIMITED
REGISTERED NUMBER: 03487308

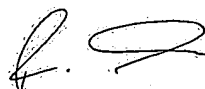
CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2020

	Note	2020 £000	As restated 2019 £000
Capital and reserves			
Called up share capital	28	25,300	25,300
Share premium account		299,700	299,700
Other reserves		10,724	10,724
Retained earnings		688,663	683,251
Equity attributable to owners of the parent company		<u>1,024,387</u>	<u>1,018,975</u>
Non-controlling interests		1,026	1,307
Total equity		<u><u>1,025,413</u></u>	<u><u>1,020,282</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 14 May 2021.



Michael Hackenbroch
Director



Russell Gurnhill
Director

The notes on pages 25 to 59 form part of these financial statements.

TRILLIUM HOLDINGS LIMITED
REGISTERED NUMBER: 03487308

COMPANY BALANCE SHEET
AS AT 31 MARCH 2020

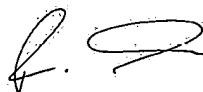
	Note	2020 £000	2019 £000
Fixed assets			
Investments	17	576,147	579,517
		<u>576,147</u>	<u>579,517</u>
Current assets			
Debtors	18	910,397	674,451
Cash at bank and in hand	19	145	75,759
		<u>910,542</u>	<u>750,210</u>
Creditors: amounts falling due within one year	20	(1,192,612)	(862,235)
Net current liabilities		<u>(282,070)</u>	<u>(112,025)</u>
Total assets less current liabilities		<u>294,077</u>	<u>467,492</u>
Creditors: amounts falling due after more than one year	21	(52,212)	(127,212)
Net assets		<u><u>241,865</u></u>	<u><u>340,280</u></u>
Capital and reserves			
Called up share capital	28	25,300	25,300
Share premium account		299,700	299,700
(Accumulated losses)/ retained earnings		(83,135)	15,280
Total equity		<u><u>241,865</u></u>	<u><u>340,280</u></u>

The company recorded a loss of £88,799,000 (2019: profit of £238,000) for the financial year and made a capital contribution of £9,616,000 to a parent undertaking.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 14 May 2021.



Michael Hackenbroch
Director



Russell Gurnhill
Director

The notes on pages 25 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	Total equity attributable to owners of parent company £000	Non- controlling interests £000	Total equity £000
At 1 April 2019 (as previously stated)	25,300	299,700	10,724	691,035	1,026,759	1,307	1,028,066
Prior year adjustment	-	-	-	(7,784)	(7,784)	-	(7,784)
At 1 April 2019 (as restated)	25,300	299,700	10,724	683,251	1,018,975	1,307	1,020,282
Comprehensive income/(expense) for the year							
Profit/(loss) for the financial year	-	-	-	15,508	15,508	(281)	15,227
Actuarial losses on pension scheme after deferred tax	-	-	-	(480)	(480)	-	(480)
Other comprehensive expense for the year	-	-	-	(480)	(480)	-	(480)
Total comprehensive income/(expense) for the year	-	-	-	15,028	15,028	(281)	14,747
Distributions paid	-	-	-	(9,616)	(9,616)	-	(9,616)
Total transactions with another group undertaking	-	-	-	(9,616)	(9,616)	-	(9,616)
At 31 March 2020	25,300	299,700	10,724	688,663	1,024,387	1,026	1,025,413

The notes on pages 25 to 59 form part of these financial statements.

TRILLIUM HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2019

	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 2018	25,300	299,700	-	673,552	998,552	1,195	999,747
Comprehensive income for the year							
Profit for the financial year restated	-	-	-	17,031	17,031	112	17,143
Actuarial gains on pension scheme after deferred tax	-	-	-	3,037	3,037	-	3,037
Capital contribution	-	-	10,724	-	10,724	-	10,724
Other comprehensive income for the year	-	-	10,724	3,037	13,761	-	13,761
Total comprehensive income for the year	-	-	10,724	20,068	30,792	112	30,904
Distributions paid	-	-	-	(10,369)	(10,369)	-	(10,369)
Total transactions with owners	-	-	-	(10,369)	(10,369)	-	(10,369)
At 31 March 2019	25,300	299,700	10,724	683,251	1,018,975	1,307	1,020,282

The notes on pages 25 to 59 form part of these financial statements.

TRILLIUM HOLDINGS LIMITED

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

	Called up share capital £000	Share premium account £000	Retained earnings £000	Total equity £000
At 1 April 2018	25,300	299,700	25,411	350,411
Comprehensive income for the year				
Profit for the financial year and total comprehensive income	-	-	238	238
Contributions by and distributions to owners				
Distributions	-	-	(10,369)	(10,369)
Total transactions with owners	-	-	(10,369)	(10,369)
At 31 March 2019 and 1 April 2019	25,300	299,700	15,280	340,280
Comprehensive expense for the year				
Loss for the financial year and total comprehensive expense	-	-	(88,799)	(88,799)
Contributions by and distributions to another group undertaking				
Distributions	-	-	(9,616)	(9,616)
At 31 March 2020	25,300	299,700	(83,135)	241,865

The notes on pages 25 to 59 form part of these financial statements.

TRILLIUM HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2020**

	2020 £000	As restated 2019 £000
Cash flows from operating activities		
Profit for the financial year	15,227	17,143
Adjustments for:		
Amortisation of intangible assets	4,027	4,027
Depreciation of tangible assets	232	286
Exceptional operating costs	20,800	51,726
Exceptional finance income	-	(13,236)
Interest payable and similar expenses	15,161	17,575
Interest receivable and similar income	(52,265)	(51,673)
Taxation charge/(credit)	9,283	(2,386)
Decrease in stocks	2,830	7,977
Decrease in debtors	24,892	53,900
Increase in amounts owed by groups	(167,293)	(6,770)
Decrease in creditors	(11,744)	(62,415)
Decrease in provisions	(8,023)	(4,797)
Increase in pension liabilities	568	1,121
Corporation tax paid	(10,312)	(20,131)
Loss on disposal of tangible assets	4,569	241
Revaluation of investment properties	2,051	(4,850)
Net cash used in operating activities	(149,997)	(12,262)
Cash flows from investing activities		
Purchase of tangible fixed assets	(527)	(109)
Sale of tangible fixed assets	108,777	8,185
Purchase of investment properties	(35,593)	(4,444)
Interest received	51,752	50,144
Net cash generated from investing activities	124,409	53,776

TRILLIUM HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020**

	2020 £000	As restated 2019 £000
Cash flows from financing activities		
Proceeds from new loans	32,692	75,863
Repayment of loans	(77,272)	(20,294)
Distributions and dividends paid	-	(10,369)
Interest paid	(11,992)	(15,887)
Net cash (used in)/generated from financing activities	(56,572)	29,313
Net (decrease)/increase in cash and cash equivalents	(82,160)	70,827
Cash and cash equivalents at beginning of year	137,326	66,499
Cash and cash equivalents at the end of year	55,166	137,326
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	55,166	137,353
Bank overdrafts	-	(27)
	55,166	137,326

The notes on pages 25 to 59 form part of these financial statements.

TRILLIUM HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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 32.

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 2020

1. Accounting policies (continued)

Going concern and COVID-19

The group has net assets of £1,025,413,000 at 31 March 2020.

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 2020. 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.

At 31 Mar 2020 the company has net current liabilities of £282,070,000. Because the company has ownership of a group with consolidated net current assets of £971,381,000, it is able to call on the resources of its subsidiary companies should it require those resources to meet its liabilities. At 31 March 2020, the group recognised net current assets of £971,381,000. 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 2020

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 works

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 fees

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

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.

Finance costs

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 on ordinary activities 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 2020

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 2020

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 2020

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 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 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.

(ii) Financial liabilities (continued)

TRILLIUM HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

1. Accounting policies (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.

Provisions have been made for obligations relating to performance that may arise due to a performance scoring system. The scoring system compares actual performance by the PRIME contractor and its obligations under the PRIME agreement to provide facilities management services.

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.

TRILLIUM HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

1. Accounting policies (continued)

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 2020**

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 2020, no impairment was recognised on the carrying values on the stock properties.

In light of the COVID-19 pandemic the Royal Institution of Chartered Surveyors (RICS) announced that valuations performed as at 31 March 2020 should include a 'material valuation uncertainty' clause as per VPS 3 and VPGA 10 of the RICS Red Book Global. Accordingly such a clause has been included within the directors' internal valuation of the investment property and stock property held by the company as at 31 March 2020. This does not mean that the valuation cannot be relied upon, but it ensures transparency of the fact that in the unprecedented circumstances which existed at the balance sheet date, less certainty can be attached to the valuation than would otherwise be the case. Consequently, there is a higher likelihood that the assumptions upon which the valuations have been based prove to be inaccurate.

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, credit status of the counterparty and the status of any outstanding dispute (see note 18).

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**
**2. Judgements in applying accounting policies and key sources of estimation uncertainty
(continued)**
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.

3. Turnover

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

	2020	As restated 2019
	£000	£000
Property services income	36,104	48,757
Capital projects	2,689	2,273
Third party rents	43,514	46,114
Other income	14,444	16,785
Management fee income	24,145	13,284
Disposals of properties held for sale	5,922	7,261
	<u>126,818</u>	<u>134,474</u>

All turnover arose within the United Kingdom.

4. Operating loss

Operating loss is stated after charging:

	2020	As restated 2019
	£000	£000
Depreciation of tangible fixed assets	232	286
Amortisation of goodwill	4,027	4,027
Plant and machinery operating lease rentals	12	100
Other operating lease rentals	22,705	16,183
Cost of properties disposed	3,462	4,683

TRILLIUM HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

5. Auditors' remuneration

In the year ended 31 March 2020, 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.

	2020 £000	2019 £000
Fees payable to the group's auditors and their associates in respect of:		
Company	39	30
Subsidiary	192	219
	<hr/>	<hr/>
Fees payable to the group's auditors and their associates for the audit of the group's annual financial statements	820	777
	<hr/>	<hr/>

As well as the audit fees disclosure above, it should be noted that additional audit fees of £160,000 in relation to the audit for the year ended 31 March 2019 were agreed and paid by the group subsequent to the year ended 31 March 2020

6. Staff costs

Staff costs were as follows:

	2020 £000	2019 £000
Wages and salaries	38,035	40,570
Social security costs	4,984	5,152
Other pension costs	1,346	1,605
	<hr/>	<hr/>
	44,365	47,327
	<hr/>	<hr/>

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

	2020 No.	2019 No.
Operational	183	182
Administration	23	22
	<hr/>	<hr/>
	206	204
	<hr/>	<hr/>

All employees were employed in the United Kingdom.

TRILLIUM HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

7. Directors' remuneration

	2020 £000	2019 £000
Aggregate emoluments excluding long term incentive scheme and pensions	266	279
Aggregate amounts receivable under long term incentive schemes	2,011	2,367
Payments to defined contribution pension schemes	4	8
Payments to former directors	147	80
	<u>2,428</u>	<u>2,734</u>

One (2019: two) directors are members of a defined contribution pension scheme, and no (2019: no) director is accruing benefits in respect of a defined benefit scheme.

The highest paid director received remuneration of £927,000 (2019: £1,112,000).

The value of the group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £nil (2019: £nil).

Directors are remunerated by group companies.

8. Net movement in valuation of properties

	2020 £000	2019 £000
Revaluation of investment properties	(2,051)	4,850
Impairment of land and buildings	-	(100)
Loss on disposal of properties	(4,569)	(141)
Net (expense)/income on total movement	<u>(6,620)</u>	<u>4,609</u>

9. Interest receivable and similar income

	2020 £000	2019 £000
Interest receivable from group companies	43,977	42,737
Change in fair value of interest rate swaps	405	1,529
Other interest receivable and similar income	7,883	7,407
	<u>52,265</u>	<u>51,673</u>

TRILLIUM HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

10. Interest payable and similar expenses

	2020 £000	2019 £000
Bank interest payable	4,584	4,622
Loans from group undertakings	8,762	10,848
Unwind of discount of provisions	653	916
Other interest payable and finance charges	1,162	1,189
	<u>15,161</u>	<u>17,575</u>

11. Exceptional finance income

In the year ended 31 March 2019, the group was released from its obligations under a fixed term loan to a fellow group undertaking, resulting in an exceptional finance credit of £13,236,000.

12. Taxation

	2020 £000	As restated 2019 £000
Corporation tax		
Current tax on profits for the year	10,190	9,392
Adjustments regarding prior year	(1,605)	(5,392)
Total current tax	<u>8,585</u>	<u>4,000</u>
Deferred tax		
Origination and reversal of timing differences	577	(1,488)
Adjustments regarding prior year	121	(4,898)
Total deferred tax	<u>698</u>	<u>(6,386)</u>
Taxation on profit on ordinary activities	<u>9,283</u>	<u>(2,386)</u>

TRILLIUM HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

12. Taxation (continued)

Factors affecting tax charge/(credit) for the year

The tax assessed for the year is higher than (2019 - lower than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £000	As restated 2019 £000
Profit before tax	24,510	14,757
Profit before tax multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	4,657	2,804
Effects of:		
Expenses not deductible	5,224	8,342
Permanent differences	1,023	1,781
Tax losses utilised/(unutilised)	2,866	(3,332)
Other timing differences	(448)	(598)
Capital gains	405	-
Revaluation of property	(303)	(532)
Loss on disposals	(1,807)	(181)
Adjustments regarding prior year	(1,484)	(10,290)
Rate changes	(859)	26
Other	9	(406)
Total tax charge/(credit) for the year	9,283	(2,386)

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

13. Dividends and distributions

During 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.

In the year ended 31 March 2019, the group distributed £10,369,000 to a parent undertaking as a result of a series of agreements with a former group undertaking relating to equipment and fixtures on the DWP occupied estate.

TRILLIUM HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

14. Intangible assets

Group

	Goodwill £000
Cost	
At 1 April 2019	80,546
At 31 March 2020	<u>80,546</u>
Accumulated amortisation	
At 1 April 2019	30,205
Charge for the year	4,027
At 31 March 2020	<u>34,232</u>
Net book value	
At 31 March 2020	<u>46,314</u>
At 31 March 2019	<u>50,341</u>

TRILLIUM HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

15. Tangible assets

Group

	S/Term Leasehold Improvement £000	Plant and Machinery, Furniture and equipment £000	Total £000
Cost			
At 1 April 2019	8,794	12,071	20,865
Additions	-	527	527
Disposals	-	(10,656)	(10,656)
At 31 March 2020	8,794	1,942	10,736
Accumulated depreciation			
At 1 April 2019	8,535	11,321	19,856
Charge for the year	67	165	232
Disposals	-	(10,625)	(10,625)
At 31 March 2020	8,602	861	9,463
Net book value			
At 31 March 2020	192	1,081	1,273
At 31 March 2019	259	750	1,009

TRILLIUM HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

16. Investment property

Group

	Freehold investment property £000	Short term leasehold investment property £000	Total £000
Valuation			
At 1 April 2019	334,864	414	335,278
Additions at cost	35,541	51	35,592
Disposals	(113,254)	(61)	(113,315)
Deficit on revaluation	(2,019)	(32)	(2,051)
At 31 March 2020	255,132	372	255,504

In December 2019, the group sold a portfolio of DWP occupied properties for total consideration of £84,861,000, broadly in line with their carrying value. Additionally, a number of other investment properties were sold during the year which resulted in a net loss on disposal of £4,569,000 after disposal costs (note 8).

The fair value of the group's investment properties at 31 March 2020 and 31 March 2019, 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.

Further details regarding the estimates used in preparing the valuations, and additional uncertainty in the light of COVID-19, are provided in note 2 to the financial statements.

TRILLIUM HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

17. Investments

Company

	Investments in subsidiary companies £000
Cost	
At 1 April 2019	580,399
Additions	10,873
At 31 March 2020	591,272
Accumulated impairment	
At 1 April 2019	882
Charge for the year	14,243
At 31 March 2020	15,125
Net book value	
At 31 March 2020	576,147
At 31 March 2019	579,517

During the year, the company acquired the shareholding of Trillium Property Services Limited, Trillium Bastion House Limited and PPM Holdings Limited from Trillium Group Limited, one of the company's direct subsidiary holdings. Following the transfer of these companies, Trillium Group Limited declared a dividend equivalent to its net asset value. The company has recognised an impairment charge of £12,971,000 to reduce the carrying value of its investment in Trillium Group Limited to its net realisable value.

During the year, Trillium Development (Services) Limited, a subsidiary undertaking, also declared a dividend equivalent to its net asset value. The company has recognised an impairment charge of £1,272,000 to reduce the carrying value of its investment in Trillium Development (Services) Limited to its net realisable value.

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 2020

18. Debtors

	Group 2020 £000	Group As restated 2019 £000	Company 2020 £000	Company 2019 £000
Due after more than one year				
Amounts owed by group undertakings	194,796	14,148	192,490	-
Other debtors	38,405	44,409	-	-
Deferred tax asset (note 22)	6,847	7,432	-	-
Prepayments and accrued income	5,398	5,245	-	-
	<u>245,446</u>	<u>71,234</u>	<u>192,490</u>	<u>-</u>
Due within one year				
Trade debtors	8,748	10,661	177	-
Amounts owed by group undertakings	1,268,282	1,217,818	712,556	643,432
Other debtors	11,458	24,483	2	313
Tax recoverable	-	-	5,120	30,696
Prepayments and accrued income	68,162	93,036	52	10
	<u>1,602,096</u>	<u>1,417,232</u>	<u>910,397</u>	<u>674,451</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 2020 £000	Net 2020 £000	Gross 2019 £000	Net 2019 £000
Other debtors				
Other debtors	63,125	44,661	72,513	49,944
	<u>63,125</u>	<u>44,661</u>	<u>72,513</u>	<u>49,944</u>
Maturity of other debtors				
Within one year	12,200	6,256	11,611	5,535
Between one and five years	49,013	36,765	47,486	31,837
After more than five years	1,912	1,640	13,416	12,572
	<u>63,125</u>	<u>44,661</u>	<u>72,513</u>	<u>49,944</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

18. Debtors (continued)

Group

Amounts owed by group undertakings falling due after more than one year are unsecured. £27,883,000 (2019: £14,148,000) 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 (2019: £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 £176,430,000 (2019: £550,000) 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 (2019: base lending rate of Barclays Bank PLC plus 3% per annum).

As at 31 March 2020, the group recorded overdue, but not impaired, balances of £4,426,000 (2019: £3,884,000). Of these balances £322,000 (2019: £2,740,000) is less than three months overdue and £900,000 (2019: £nil) 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. Post year end, in June 2020, the group reached settlement on this and a number of other matters relating to the contract. The group has recognised £52,500,000 (2019: £73,300,000) within prepayments and accrued income in respect of this settlement, and an impairment of £20,800,000 (2019: 51,726,000) has been recognised within the consolidated Statement of Comprehensive Income.

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 (2019: 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 2020 and 31 March 2019.

TRILLIUM HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

19. Cash at bank and in hand

	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
Cash at bank	53,524	135,718	3	75,101
Money market deposits	100	100	100	100
Tenant deposits	1,542	1,535	42	558
	<u>55,166</u>	<u>137,353</u>	<u>145</u>	<u>75,759</u>

Tenant deposits are held by Barclays Bank PLC in Trustee controlled 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 2020**

20. Creditors: Amounts falling due within one year

	Group	Group As restated	Company	Company
	2020	2019	2020	2019
	£000	£000	£000	£000
Bank overdrafts (note 24)	-	27	-	-
Bank loans (note 24)	42,255	32,195	-	-
Trade creditors	9,890	13,062	-	-
Amounts owed to group undertakings	535,731	462,266	1,171,633	861,617
Loans from group undertakings (note 24)	24,483	6,951	20,880	-
Corporation tax	4,048	5,775	-	-
Other taxation and social security	1,460	1,733	-	-
VAT payable	3,616	3,897	-	-
Other creditors	3,217	2,628	99	618
Accruals and deferred income	69,174	75,399	-	-
	<u>693,874</u>	<u>603,933</u>	<u>1,192,612</u>	<u>862,235</u>

Group

Included in amounts owed to group undertakings are amounts totalling £451,104,000 (2019: £358,716,000) 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 (2019: 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 2020 and 31 March 2019.

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 (2019: 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 2020 and 31 March 2019.

TRILLIUM HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

21. Creditors: Amounts falling due after more than one year

	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
Bank loans (note 24)	61,237	81,829	-	-
Loans from group undertakings (note 24)	151,861	200,272	52,212	127,212
Fair value of interest rate swaps	4,060	4,573	-	-
Accruals and deferred income	1,806	4,188	-	-
	<u>218,964</u>	<u>290,862</u>	<u>52,212</u>	<u>127,212</u>

22. Deferred tax

	2020 £000	2019 £000
At beginning of year	(7,432)	(1,668)
Charged/(released) to profit or loss	698	(6,386)
Deferred tax on actuarial (losses)/gains	(113)	622
	<u>(6,847)</u>	<u>(7,432)</u>

The deferred tax asset is made up as follows:

	2020 £000	2019 £000
Accelerated capital allowances	1,933	4,627
Other timing differences	(3,645)	(9,523)
Capital gains	(2,224)	50
Fair value of swaps	(1,002)	(1,076)
Pension deficit	(1,909)	(1,510)
	<u>(6,847)</u>	<u>(7,432)</u>

TRILLIUM HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

23. Provisions

Group

	Dilapidations £000	Life Cycle Capital Expenditure £000	Onerous Leases £000	Other £000	Total £000
Restated at 1 April 2019 (note 30)	6,147	529	20,314	1,085	28,075
(Released)/charged to profit to loss	(1,147)	-	(3,806)	2,130	(2,823)
Unwinding of discount	152	-	501	-	653
Utilised in year	(755)	-	(4,015)	(1,085)	(5,855)
At 31 March 2020	4,397	529	12,994	2,130	20,050

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 (2019: 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.

Other provisions

Other provisions includes amounts for obligations relating to performance that may arise due to a performance scoring system. The scoring system compares actual performance by the PRIME contractor and its obligations under the PRIME agreement to provide facilities management services. The provision was settled during the financial year.

Provisions have also 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 (2019: 2.50% per annum). These provisions are expected to be utilised towards the end of the contracts with the DVLA and Aviva.

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 (2019: 2.50% pa) and the provision is expected to be utilised over the life of the relevant property leases.

TRILLIUM HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

24. Loans and borrowings

Group	Secured/ unsecured	Fixed/ floating	Effective interest rate %	2020 £000	2019 £000
Overdrafts	Unsecured	Floating		-	27
Bank loans					
£71,400,000 facility - due 07/2020 - LIBOR + 1.75% + MLA	Secured	Fixed	5.2680%	39,482	48,471
£50,700,000 facility - due 02/2022 - LIBOR + 1.85%	Secured	Fixed	3.4500%	41,880	43,617
£25,000,000 facility - due 05/2024 - LIBOR + 1.80%	Secured	Fixed	2.9020%	23,000	22,500
				<hr/>	<hr/>
				104,362	114,615
Fixed term loans due to group undertakings					
£15,500,000 - due 02/2022 - 9.00%	Unsecured	Fixed	9.0000%	15,500	15,500
£19,321,000 - due 12/2019 - 3.066%	Unsecured	Fixed	3.0666%	-	353
£3,240,000 - due 12/2019 - 3.204%	Unsecured	Fixed	3.2040%	-	3,240
£80,000,000 facility - due 12/2031 - 4.51%	Secured	Fixed	4.5100%	57,560	60,918
£100,000,000 facility - due 09/2021 - LIBOR + 2.75%	Unsecured	Floating	3.2730%	52,212	52,212
£75,000,000 facility - due 03/2021 - 0%	Unsecured	Fixed	0%	20,880	75,000
£30,192,000 due 12/2024 - 3.917%	Secured	Fixed	3.9170%	30,192	-
				<hr/>	<hr/>
				176,344	207,223
Total loans and borrowings				<hr/>	<hr/>
				280,706	321,838
Less: unamortised issue costs				(870)	(564)
Total loans and borrowings				<hr/>	<hr/>
				279,836	321,274

TRILLIUM HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

24. Loans and borrowings (continued)

Company

The company has a fixed term amount due to group undertakings at year end of £52,212,000 (2019: £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 2.75% and matures in September 2021.

In addition the company has a fixed term amount due to group undertakings at year end of £20,880,000 (2019: £75,000,000). The loan is unsecured, interest free and matures in March 2021.

	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
Maturity of financial liabilities				
Within one year	67,064	39,173	20,880	-
Between one and five years	157,495	241,560	52,212	127,212
More than five years	56,147	41,105	-	-
	<u>280,706</u>	<u>321,838</u>	<u>73,092</u>	<u>127,212</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 £28,388,000 (2019: £16,835,000) and properties held for sale at a carrying value of £6,418,000 (2019: £6,311,000) 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 (2019: £67,712,000).

TRILLIUM HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

25. Financial instruments

	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
Financial assets that are debt instruments measured at amortised costs				
Trade debtors	8,748	10,661	177	-
Amounts owed by group undertakings	1,463,078	1,231,966	905,046	643,432
Other debtors	49,863	68,895	2	313
Cash and cash equivalents	55,166	137,353	145	75,759
Accrued income	68,365	79,876	52	10
	<u>1,645,220</u>	<u>1,528,751</u>	<u>905,422</u>	<u>719,514</u>
Financial liabilities				
Financial liabilities measured at fair value through profit or loss:				
Interest rate swaps	4,060	4,573	-	-
Financial liabilities measured at amortised cost:				
Bank overdraft	-	27	-	-
Bank loans	103,492	114,024	-	-
Trade creditors	9,890	13,062	-	-
Amounts owed to group undertakings	712,075	669,489	1,244,725	988,829
Other creditors	3,217	2,628	99	618
Accruals	54,810	58,913	-	-
	<u>887,544</u>	<u>862,716</u>	<u>1,244,824</u>	<u>989,447</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 £4,060,000 (2019: £4,573,000). The aggregate notional principal of the outstanding swap contracts at 31 March 2020 was £109,982,000 (2019: £119,196,000).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**
26. Pension commitments
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 £1,397,000 (2019: £1,305,000), were charged to the Statement of Comprehensive Income. No amounts were outstanding as at 31 March 2020 (2019: £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 2020 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:

	2020 £000	2019 £000
Reconciliation of present value of plan liabilities		
At the beginning of the year	(140,346)	(136,232)
Interest cost	(3,457)	(3,692)
Actuarial gains/(losses)	11,961	(4,072)
Past service cost	-	(300)
Benefits paid	4,137	3,950
At the end of the year	(127,705)	(140,346)

Reconciliation of present value of plan assets:

	2020 £000	2019 £000
At the beginning of the year	131,462	124,810
Interest income	3,235	3,381
Actuarial (losses)/gains	(12,554)	7,731
Benefits paid	(4,137)	(3,950)
Administration expenses	(346)	(510)
At the end of the year	117,660	131,462

TRILLIUM HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

26. Pension commitments (continued)

Composition of plan assets:

	2020 £000	2019 £000
UK equities	34,599	43,606
Global equities	37,730	43,538
Emerging market debt	8,269	10,172
Asset backed securities	6,151	6,513
Property	29,609	26,833
Cash and accruals	1,302	800
Total plan assets	117,660	131,462
	2020 £000	2019 £000
Fair value of plan assets	117,660	131,462
Present value of plan liabilities	(127,705)	(140,346)
Net pension scheme liability	(10,045)	(8,884)

The amounts recognised in profit or loss are as follows:

	2020 £000	2019 £000
Past service cost	-	300
Administration expenses	346	510
Interest on net defined benefit liability	222	311
Total	568	1,121

The cumulative amount of actuarial gains and losses recognised in the Consolidated Statement of Comprehensive Income was £3,684,000 (2019 - £3,091,000).

TRILLIUM HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

26. Pension commitments (continued)

Principal actuarial assumptions at the Balance Sheet date:

	2020	2019
Total return on plan assets		
Discount rate at 31 March	2.60%	2.50%
Inflation (RPI)	2.50%	3.20%
Mortality rates (years)		
- for a male aged 65 now	22.0	21.8
- at 65 for a male aged 45 now	23.5	23.2
- for a female aged 65 now	23.5	23.4
- at 65 for a female member aged 45 now	25.1	24.9

Defined benefit pension schemes

	2020 £000	2019 £000	2018 £000	2017 £000	2016 £000
Defined benefit obligation	(127,705)	(140,346)	(136,232)	(140,666)	(120,517)
Scheme assets	117,660	131,462	124,810	122,701	105,601
Deficit	<u>(10,045)</u>	<u>(8,884)</u>	<u>(11,422)</u>	<u>(17,965)</u>	<u>(14,916)</u>
Experience adjustments on scheme liabilities	11,961	(4,072)	4,854	(19,936)	4,483
Experience adjustments on scheme assets	<u>(12,554)</u>	<u>7,731</u>	<u>2,679</u>	<u>17,985</u>	<u>(3,471)</u>

TRILLIUM HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

27. 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:

	2020 £000	2019 £000
Interest payable to related parties	107	496
Interest receivable from related parties	(349)	(229)
Amounts owed by related parties at year end	55,448	10,748
Amounts owed to related parties at year end	(2,852)	(891)

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

28. Called up share capital

	2020 £000	2019 £000
Allotted, called up and fully paid		
25,300,000 (2019 - 25,300,000) Ordinary shares of £1.00 each	25,300	25,300

29. Commitments under operating leases

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

	Land and buildings 2020 £000	As restated Land and buildings 2019 £000	Other 2020 £000	Other 2019 £000
Within 1 year	21,271	21,587	12	6
Later than 1 year and not later than 5 years	71,951	74,340	21	-
Later than 5 years	71,656	88,797	-	-
	<u>164,878</u>	<u>184,724</u>	<u>33</u>	<u>6</u>

TRILLIUM HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

30. Prior year adjustment

The financial statements have been restated to correct the treatment of amounts received and spent on leasehold properties where the group indemnifies the DWP for certain leases which expire following the end of the PRIME contract which ended 31 March 2018. This adjustment resulted in a decrease in consolidated profit of £7,784,000 for the year ended 31 March 2019.

The impact on the financial statements is as follows:

	2019 £000
Increase in turnover	10,660
Increase in operating costs	(20,195)
Decrease in corporation tax	1,751
Increase in debtors due after more than one year	1,282
Decrease in debtors due within one year	(10,324)
Decrease in creditors due within one year	9,657
Increase in provisions	(8,399)

31. 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.

32. 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.

TRILLIUM HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

33. 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 2020 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 2020

33. 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 incorporated during the year. 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 2020 audited as they have taken an exemption under section 479A of the Companies Act 2006. Those subsidiaries are:

Telereal Developments Limited
Telereal Holdings Limited
Telereal Property Partners Limited
Trillium (Eagle) Limited
Trillium (Prime) Holdings Limited
Trillium (Prime) Project Holdings Limited
Trillium Group Limited
Trillium Development (Services) Limited

34. Post balance sheet events

On 26 June 2020, the group reached a commercial settlement with the DWP to conclude a number of matters outstanding from the end of the PRIME contract, resulting in a net receipt of £51,717,000 (excluding VAT). The commercial settlement also resulted in the group accepting that it would indemnify DWP for the cost associated with certain leases, a position which was not reflected in the prior year financial statements. As such these financial statements contain a restatement of the prior year numbers to correct for the treatment of costs and income associated with those leases (refer to note 30 to the financial statements for further details).

In July 2020, Trillium (DV1A) Limited, a subsidiary undertaking, refinanced its debt settling the previous loan and entered into a new fully amortising £45,000,000 loan facility, secured on the cash flows of the company, maturing in March 2025. The interest rate is LIBOR plus margin of 2.2%, fully hedged by interest rate swaps, resulting in an effective interest rate of 4.0935% per annum. The impact of this refinancing has not been reflected in the group's financial statements.