

BARRATT EVOLUTION LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

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BARRATT EVOLUTION LIMITED

COMPANY INFORMATION

DIRECTORS

G M Ennis
A Taylor
D F Thomas
K A Williams

COMPANY SECRETARY

Barratt Corporate Secretarial Services Limited

REGISTERED NUMBER

03790844

REGISTERED OFFICE

Barratt House, Cartwright Way, Forest Business Park
Bardon Hill
Coalville
Leicestershire
LE67 1UF

INDEPENDENT AUDITOR

Deloitte LLP
Statutory Auditor
London
UK

BARRATT EVOLUTION LIMITED

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BARRATT EVOLUTION LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2021

The Directors present their annual report and the audited financial statements for the year ended 30 June 2021.

The Directors' report has been prepared in accordance with the provisions applicable to companies applying the small companies exemption. The Company is exempt under S414B of the Companies Act 2006 from the requirement to produce a strategic report.

PRINCIPAL ACTIVITY

The principal activity of Barratt Evolution Limited (the Company) is the development of its site bordering Edgware and Stanmore in Middlesex. All plots were sold during prior years and there are no plans to develop further sites in this Company. The Company continues to carry out maintenance and other work on site and to service ongoing agreements.

GOING CONCERN

In determining the appropriate basis of preparation of the financial statements, the Directors are required to consider whether the Company can continue in operational existence for the foreseeable future.

As at 30 June 2021, the Company had net assets of £3.4m including amounts due from another Group (Barratt Developments PLC and its subsidiary undertakings, 'the Group') undertaking and the financial position of the Company is, therefore, dependent upon the performance of the Group.

At 30 June 2021, the Group held cash of £1,518.6m and total loans and borrowings of £205.3m, consisting of £5.3m of overdrafts repayable on demand and £200.0m sterling US Private Placement notes maturing in August 2027. These balances, set against pre-paid facility fees, comprise the Group's net cash of £1,317.4m.

Should further funding be required, the Group has a committed £700.0m Revolving Credit Facility (RCF), subject to compliance with certain financial covenants, that matures in November 2024.

As such, in consideration of its net current assets of £4,857.7m, the Directors are satisfied that the Group has sufficient liquidity to meet its current liabilities and working capital requirements.

Despite the ongoing economic uncertainties, the housing market fundamentals remain attractive. There is strong demand for new homes across the country and years of undersupply underpins the Government's ongoing target of 300,000 new homes each year. The future financial performance of the Group is dependent upon the wider economic environment in which it operates. The factors that particularly affect the performance of the Group include flat or negative economic growth, buyer confidence, mortgage availability and affordability, competitor pricing, new housing supply, falls in house prices or land values and the cost and availability of raw materials, sub-contractors and suppliers.

The Group's financial forecasts reflect the outcomes that the Directors consider most likely, based on the information available at the date of signing of these Financial Statements. To assess the Group's resilience to more adverse outcomes, its forecast performance was sensitised to reflect a series of scenarios based on the Group's principal risks and the downside prospects for the UK economy and housing market presented in the latest available external economic forecasts.

This exercise included a reasonable worst-case scenario in which the Group's principal risks manifest in aggregate to a severe but plausible level. This assumed that average selling prices fall by 5%, sales volumes fall by between 7% and 9%, and construction costs increase by 5%.

The effects were modelled over the three-year period covered by the Directors' viability review, alongside reasonable mitigation that the Group would expect to undertake in such circumstances, primarily a reduction in investment in inventories in line with the fall in expected sales. In all scenarios, including the reasonable worst case, the Group is able to comply with its financial covenants, operate within its current facilities and meet its liabilities as they fall due.

BARRATT EVOLUTION LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2021**

Furthermore, a reverse stress test was performed to determine the market conditions in which the Group, without mitigating action, would cease to be able to operate under its current facilities. Based on past experience and current economic forecasts, the Directors consider the possibility of this outcome to be remote and have identified mitigation that would be adopted in such circumstances.

Accordingly, the Directors consider there to be no material uncertainties that may cast significant doubt on the Group's ability to continue to operate as a going concern. They have formed a judgement that there is a reasonable expectation that the Group and Company have adequate resources to continue in operational existence for the foreseeable future, being at least 12 months from the date of signing of these Financial Statements. For this reason, they continue to adopt the going concern basis in the preparation of these Financial Statements.

RESULTS AND OUTLOOK

The loss for the year, after taxation, amounted to £1,456,000 (2020 - loss £2,774,000).

All plots of land were sold during prior years and there are no plans to develop further sites in this Company.

FINANCIAL RISK MANAGEMENT

Both the Company and Barratt Developments PLC, on behalf of itself and its subsidiaries, manage financial risks that affect the Company.

The Company's operations and financing arrangements expose it to financial risks, of which the most material is credit risk.

As at 30 June 2021, the Company was exposed to £8.6m (2020: £9.3m) of credit risk in relation to intercompany loans which are considered to be fully recoverable.

DIRECTORS

The Directors who served during the year and subsequently to the date of this report were as follows:

G M Ennis
A Taylor
D F Thomas
K A Williams

DIRECTORS' INDEMNITIES

Following shareholder approval in January 2006, Barratt Developments PLC has provided an indemnity to the Directors and company secretary of all Group companies, including Barratt Evolution Limited, against all liability arising in respect of any act or omission in their duties. This is a qualifying indemnity provision for the purposes of Section 234 Companies Act 2006.

BARRATT EVOLUTION LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2021**

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who is a Director at the time when this Directors' report is approved has confirmed that:

- so far as each Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- each Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418(2) of the Companies Act 2006.

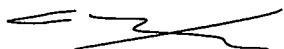
POST BALANCE SHEET EVENTS

At the date of signing there were no post balance sheet events to report.

AUDITOR

Deloitte LLP has expressed its willingness to be reappointed for another term and appropriate arrangements have been put in place for Deloitte to be reappointed as auditor in the absence of an Annual General Meeting.

This report was approved by the board on 18 November 2021 and signed on its behalf by



A Taylor
Director

BARRATT EVOLUTION LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 30 JUNE 2021**

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

BARRATT EVOLUTION LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BARRATT EVOLUTION LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Barratt Evolution Limited (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 30 June 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the Statement of Comprehensive Income;
- the Statement of Financial Position;
- the Statement of Changes in Equity; and
- the related notes 1 to 12, including the Accounting Policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

BARRATT EVOLUTION LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BARRATT EVOLUTION LIMITED

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained in the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

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

We considered the nature of the Company's industry and its control environment, and reviewed the Company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and internal audit about their own identification and assessment of the risks of irregularities.

BARRATT EVOLUTION LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BARRATT EVOLUTION LIMITED

We obtained an understanding of the legal and regulatory frameworks that the Company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the Company's ability to operate or to avoid a material penalty. These included the Company's environmental regulations, planning, and health and safety law.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the Directors were not entitled to take advantage of the small companies' exemption in preparing the Directors' report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

BARRATT EVOLUTION LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BARRATT EVOLUTION LIMITED

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Lee Highton (Senior statutory auditor)

for and on behalf of
Deloitte LLP

Statutory Auditor

London
UK

18 November 2021

BARRATT EVOLUTION LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021**

	Note	2021 £000	2020 £000
Other operating charges (net)	3	(2,123)	(3,804)
OPERATING LOSS	4	(2,123)	(3,804)
Interest receivable and similar income	6	326	379
LOSS BEFORE TAX		(1,797)	(3,425)
Taxation	7	341	651
LOSS FOR THE FINANCIAL YEAR BEING TOTAL COMPREHENSIVE EXPENSE		(1,456)	(2,774)

There was no other comprehensive income for 2021 (2020 - nil).


The notes on pages 12 to 17 form part of these financial statements.

BARRATT EVOLUTION LIMITED
REGISTERED NUMBER: 03790844

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Note	2021 £000	2021 £000	2020 £000	2020 £000
CURRENT ASSETS					
Debtors: amounts falling due after more than one year	8	-		471	
Debtors: amounts falling due within one year	8	8,616		9,310	
CURRENT LIABILITIES		8,616		9,781	
Creditors: amounts falling due within one year	9	(2,868)		(2,577)	
NET CURRENT ASSETS			5,748		7,204
TOTAL ASSETS LESS CURRENT LIABILITIES			5,748		7,204
PROVISIONS FOR LIABILITIES					
Provisions	10	(2,382)		(2,382)	
			(2,382)		(2,382)
NET ASSETS			3,366		4,822
CAPITAL AND RESERVES					
Called up share capital	11	-		-	
Profit and loss account		3,366		4,822	
Shareholder's Fund		3,366		4,822	

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 18 November 2021.



A Taylor
Director

The notes on pages 12 to 17 form part of these financial statements.

BARRATT EVOLUTION LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021**

	Called up share capital £000	Profit and loss account* £000	Total equity £000
At 1 July 2020	-	4,822	4,822
Comprehensive expense for the year			
Loss for the financial year	-	(1,456)	(1,456)
Total comprehensive expense for the year	-	(1,456)	(1,456)
At 30 June 2021	-	3,366	3,366

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020**

	Called up share capital £000	Profit and loss account* £000	Total equity £000
At 1 July 2019	-	7,596	7,596
Comprehensive expense for the year			
Loss for the financial year	-	(2,774)	(2,774)
Total comprehensive expense for the year	-	(2,774)	(2,774)
At 30 June 2020	-	4,822	4,822

The notes on pages 12 to 17 form part of these financial statements.

* Profit and loss account comprises the accumulated profits and losses of the Company.

BARRATT EVOLUTION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

1. ACCOUNTING POLICIES

1.1 General information and basis of preparation of financial statements

Barratt Evolution Limited, a private company, limited by shares, is incorporated in the UK and registered in England and Wales. The address of its registered office is Barratt House, Cartwright Way, Forest Business Park, Bardon Hill, Coalville, Leicestershire, LE67 1UF. The principal activities of the Company are set out in the Director's Report.

The financial statements have been prepared under the historical cost convention and modified for certain items at fair value in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 2).

The functional currency of the Company is pounds sterling because that is the currency of the primary economic environment in which the Company operates.

The following principal accounting policies have been applied:

1.2 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 the FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland':

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Barratt Developments PLC as at 30 June 2021 and these financial statements may be obtained from Barratt House Cartwright Way, Forest Business Park, Bardon Hill, Coalville, LE67 1UF.

1.3 Going concern

The Directors' have formed the conclusion that it is appropriate to prepare the financial statements on a going concern basis as set out in the going concern section of the Directors' report.

BARRATT EVOLUTION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

1. ACCOUNTING POLICIES (CONTINUED)

1.4 Financial instruments

Financial assets and financial liabilities are recognised on the Statement of Financial Position when the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

The Company derecognises a financial liability only when the Company's obligations are discharged, cancelled or they expire.

Secured loans

Secured loans are held at fair value calculated as the present value of expected future cash flows, taking into account the estimated market value of the property at the estimated time of repayment, and are classified as "fair value through profit and loss". Gains and losses arising from changes in fair value impairment losses, changes in future cash flows and interest calculated using the 'effective interest rate' method are recognised directly in the statement of comprehensive income.

Debtors

Trade and other receivables are financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than twelve months after the year end date, which are classified as non-current assets and are measured at amortised cost less an allowance for any uncollectable amounts.

Impairment of financial assets

Trade and other receivables are assessed for indicators of impairment at each year end date and are impaired where there is objective evidence that the recovery of the receivable is in doubt.

Objective evidence of impairment could include significant financial difficulty of the customer, default on payment terms or the customer going into liquidation.

The carrying amount of trade and other receivables is reduced through the use of an allowance account. When a trade or other receivable is considered uncollectable, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the statement of comprehensive income.

For secured loans, a significant or prolonged decline in the value of the property underpinning the value of the loan or increased risk of default are considered to be objective evidence of impairment. Increases in the fair value of secured loans previously subject to impairment, which can be objectively related to an event occurring after recognition of the impairment loss, are recognised in the statement of comprehensive income to the extent that they reverse the impairment loss.

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the contractual arrangements entered into.

BARRATT EVOLUTION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

1. ACCOUNTING POLICIES (CONTINUED)

Creditors

Trade and other payables on normal terms are not interest bearing and are stated at amortised cost.

Trade and other payables on extended terms, particularly in respect of land, are recorded at their fair value at the date of acquisition of the asset to which they relate by discounting at prevailing market interest rates at the date of recognition. The discount to nominal value, which will be paid in settling the deferred purchase terms liability, is amortised over the period of the credit term and charged to finance costs using the 'effective interest rate' method.

1.5 Interest income

The Company recognises finance income on intercompany balances in the statement of comprehensive income in the period to which it relates.

1.6 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

1.7 Current Taxation

UK Corporation tax is provided on taxable losses at the current rate.

2. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In accordance with the requirements of FRS 102, the Company has detailed below the critical accounting judgements made and the key sources of estimation uncertainty within these financial statements.

In the process of applying the Company's accounting policies, which are described in the accounting policies note, the Directors have made no individual judgements or estimations that have a significant impact upon the Financial Statements.

3. OTHER OPERATING CHARGES (NET)

Other net operating charges comprise a £nil increase in provision for contracted future payments (2020: £1,682,000) and £1,651,000 (2020: £1,745,000) of site maintenance costs and completed development accruals and £472,000 (2020: £nil) of impairment charged in relation to the Company's remaining equity share loans (note 8).

BARRATT EVOLUTION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

4. OPERATING LOSS

Fees payable to the Company's auditor, Deloitte LLP, for the audit of the Company's annual financial statements were borne by another Group company and amounted to £6,000 in the current year (2020 - £5,300). No other fees were payable to the Company's auditor in 2021 or 2020.

5. DIRECTORS AND EMPLOYEES

The Directors received no emoluments from the Company during the current or prior year and the Company had no employees in either year.

D F Thomas is also a Director of the ultimate parent company, Barratt Developments PLC. G Ennis is also a Director of the holding company BDW Trading Limited. Their total emoluments were £3,222,000 (2020 - £1,484,000). It is not practicable to allocate the emoluments between services as a Director of BDW Trading Limited and services as a Director of Barratt Evolution Limited and other subsidiary undertakings. A Taylor and K A Williams are employees of BDW Trading Limited.

The Company had no employees in the year to 30 June 2021 (2020: none).

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	2021 £000	2020 £000
Interest receivable from Group undertakings (note 8)	326	330
Imputed interest receivable	-	49
	<u>326</u>	<u>379</u>

Imputed interest receivable comprises imputed interest on secured loans.

BARRATT EVOLUTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

7. TAXATION

	2021 £000	2020 £000
Corporation tax		
Current tax credit on loss	(341)	(651)
Total tax credit	<u>(341)</u>	<u>(651)</u>

FACTORS AFFECTING TAX CREDIT FOR THE YEAR

There were no factors that affected the tax credit for the year which has been calculated on the loss before tax at the standard rate of corporation tax in the UK of 19.0% (2020 - 19.0%).

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

An increase in the corporation tax rate was announced in the Budget held on 3 March 2021 to the effect that from 1 April 2023 corporation tax will be calculated at 25% of profits to the extent that they exceed the small company threshold.

There is no unrecognised deferred tax asset or liability in either year.

8. DEBTORS

	2021 £000	2020 £000
Due after more than one year		
Prepayments and accrued income	-	471
	<u>-</u>	<u>471</u>
Due within one year		
Amounts owed by group undertakings	8,616	9,310
	<u>8,616</u>	<u>9,310</u>

The secured loans relate to deferred receivables from the sale of homes which are repayable upon resale. They are secured by way of a second charge over the home and no interest is currently payable on them. During the year, the remaining secured loans have been fully impaired.

Amounts owed by Group undertakings are unsecured and repayable on demand. A market rate of interest has been charged on intercompany loans at 4.0%.

BARRATT EVOLUTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

9. CREDITORS: amounts falling due within one year

	2021 £000	2020 £000
Accruals	2,868	2,577
	<u>2,868</u>	<u>2,577</u>

10. PROVISIONS

	£000
Amounts provided for contracted future payments	
At 1 July 2020	2,382
Amounts transferred from accruals	-
Movement in the year	-
At 30 June 2021	<u><u>2,382</u></u>

The provision relates to contracted future payments discounted to present value at the balance sheet date. A cash outflow of £250,000 is expected during the next 5 years.

11. CALLED UP SHARE CAPITAL

	2021 £	2020 £
Allotted, called up and fully paid		
2 Ordinary shares of £1 each	2	2
	<u><u>2</u></u>	<u><u>2</u></u>

12. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The Directors regard Barratt Developments PLC, a company incorporated in the UK and registered in England and Wales, as the ultimate parent company and controlling party. Barratt Developments PLC is the parent of the largest and smallest group of undertakings to consolidate these financial statements at 30 June 2021. The consolidated financial statements of Barratt Developments PLC are available from its registered office at Barratt House, Cartwright Way, Forest Business Park, Bardon Hill, Coalville, Leicestershire, LE67 1UF, or its website at www.barrattdevelopments.co.uk.

The immediate parent company is BDW Trading Limited, a company registered in England and Wales with its registered office at Barratt House, Cartwright Way, Forest Business Park, Bardon Hill, Coalville, Leicestershire, LE67 1UF.