

HENRY BOOT BIDDENHAM LIMITED

(Company Number: 05901324)

ANNUAL REPORT

2021

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COMPANY INFORMATION

Directors

D L Littlewood
N J Duckworth
T A Roberts

Company Secretary

A L Stanbridge

Registered Office

Banner Cross Hall
Ecclesall Road South
Sheffield
United Kingdom
S11 9PD

Registered in England
No. 05901324

Independent Auditors

Ernst & Young LLP
Chartered Accountants and Statutory Auditors
1 Bridgewater Place
Water Lane
Leeds
LS11 5QR

Bankers

Barclays Bank PLC
2 Arena Court
Sheffield
S9 2LF

REPORT OF THE DIRECTORS

The Directors present their annual report together with the audited financial statements for the year ended 31 December 2021.

Results and dividend

The profit for the year (2020: profit) is set out in the Statement of Comprehensive Income on page 9.

An interim dividend of £3,000,000 (2020: £nil) was paid on 8 December 2021.

The Directors do not recommend the payment of a final dividend (2020: none).

Principal activities

The principal activity of the Company is to improve the marketable status of land purchases prior to the subsequent sales thereof.

Going concern

As part of the going concern assessment, the Directors have considered the Company's principal risk areas that they consider material to the assessment of going concern. Having completed this assessment, the Directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the ultimate Parent Company Henry Boot PLC. The Directors have received confirmation that Henry Boot PLC intends to support the Company up to 31 December 2023.

In undertaking the Henry Boot PLC Group going concern review, which covers the period to 31 December 2023, the Directors have assessed the Groups speed of recovery against the backdrop of significant cost inflation and interest rate rises in modelling a base case scenario, and in compiling forecasts consideration has been given to climate risk and the costs of transitioning to a low carbon economy. They have also modelled what they consider to be a severe downside scenario including a significant curtailment in activities

Henry Boot PLC meets its day-to-day working capital requirements through a secured loan facility. The facility was renewed on the 23 January 2020, at a level of £75m, for a period of three years and extended in January 2021 and January 2022 by a further two years to 23 January 2025. The facility includes an accordion to increase the facility by up to £30m, which can be requested by Henry Boot PLC at a time of its choosing.

The Directors of Henry Boot PLC have considered the likely impacts on the business arising from the conflict in Ukraine, which has occurred subsequent to the balance sheet date and is ongoing at the date of approval of the financial statements. The Directors are satisfied that the potential economic impacts of this event, is adequately taken into account in modelling a severe but plausible downside scenario.

The financial statements for the year ended 31 December 2021 have been prepared on the going concern basis as the Directors have determined that the Company has sufficient resources and liquidity facilities to meet its liabilities as they fall due for the period from the date of approval of the accounts up to 31 December 2023.

Directors

T A Roberts, D L Littlewood and N J Duckworth held office as Directors of the Company throughout 2021 and up to the date of signing these financial statements.

REPORT OF THE DIRECTORS (CONTINUED)

Statement of disclosure of information to auditors

The Directors of the Company who held office at the date of approval of this Annual Report as set out above each confirm that:

- so far as they are aware, there is no relevant audit information (information needed by the Company's auditors in connection with preparing their report) of which the Company's auditors are unaware, and
- they have taken all the steps that they ought to have taken as Directors 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 has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Ernst & Young LLP have indicated their willingness to continue in office and a resolution concerning their re-appointment as auditor of the Henry Boot PLC Group was passed at the Group's Annual General Meeting.

Approved by the Board and signed on behalf of the Board,



D L Littlewood
Director

28 July 2022

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable United Kingdom 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 company financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. 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 in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company financial position and financial performance;
- In respect of the financial statements, state whether UK-adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements and
- prepare the financial statements on the going concern basis unless it is appropriate to presume that the Company will not continue in business.

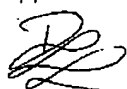
The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Company financial statements comply with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

Under applicable law and regulations, the Directors are also responsible for preparing a directors' report that complies with that law and those regulations.

The Directors confirm, to the best of their knowledge:

- that the financial statements, prepared in accordance with the applicable set of financial standards, with the requirements of the Companies Act 2006, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company;
- that the annual report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that they face; and
- that they consider the annual report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position, performance, business model and strategy.

Approved by the Board and signed on behalf of the Board,



D L Littlewood
Director
28 July 2022

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HENRY BOOT BIDDENHAM LIMITED

Opinion

We have audited the financial statements of Henry Boot Biddenham Limited (the 'company') for the year ended 31 December 2021 which comprise Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows, Accounting Policies and the related notes 1 to 16. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted International Accounting Standards.

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with UK adopted International Accounting Standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 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 the period until 31 December 2023.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

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 with the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HENRY BOOT BIDDENHAM LIMITED (CONTINUED)

Other information (continued)

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 course of 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

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.

Matters on which we are required to report by exception

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 material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 4, 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HENRY BOOT BIDDENHAM LIMITED (CONTINUED)

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.

Explanation as to what extent 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 irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management. Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (International Accounting Standards in conformity with the requirements of the Companies Act 2006), and the relevant tax compliance regulations in the UK.
- We understood how Henry Boot Biddenham Limited is complying with those frameworks by making enquiries of management, those responsible for legal and compliance procedures and the Company Secretary. We corroborated our enquiries through our review of board minutes and papers provided to the Audit Committee.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by meeting with management from various parts of the business to understand where it considered there was a susceptibility to fraud. We also considered performance targets and their propensity to influence efforts made by management to manage earnings. We considered the programmes and controls that the company has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included testing manual journals and were designed to provide reasonable assurance that the financial statements were free from material fraud and error.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved journal entry testing, with a focus on manual journals, and journals indicating large or unusual transactions based on our understanding of the business. In addition, we completed procedures to conclude on the compliance of the disclosures in the Financial Statements with the requirements of the relevant accounting standards, and UK legislation.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HENRY BOOT BIDDENHAM LIMITED (CONTINUED)

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.

Ernst & Young LLP

Victoria Venning (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP
Chartered Accountants and Statutory Auditors
Leeds
28 July 2022

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 £	2020 £
Revenue – continuing operations	1	2,050,083	-
Cost of sales		(813,497)	-
Gross profit/(loss)		1,236,586	(-)
Administrative expenses		(71)	(154)
Operating profit/(loss)		1,236,515	(154)
Finance income	5	32,685	31,904
Finance costs	6	(31)	-
Profit before tax		1,269,169	31,750
Tax	7	(241,142)	(6,032)
Profit for the year from continuing operations		1,028,027	25,718
Total comprehensive income for the year		1,028,027	25,718
Attributable to:			
Owners of the Company		1,028,027	25,718

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
ASSETS			
Non-current assets			
Trade and other receivables	9	1,382,744	1,350,158
		1,382,744	1,350,158
Current assets			
Inventories	8	1	222,553
Trade and other receivables	9	658,933	2,104,390
Cash and cash equivalents		827	279
		659,761	2,327,222
LIABILITIES			
Current liabilities			
Trade and other payables	10	464,097	126,999
		464,097	126,999
Net current assets		195,664	2,200,223
Net assets		1,578,408	3,550,381
EQUITY			
Share capital	12	100	100
Retained earnings		1,578,308	3,550,281
Total equity		1,578,408	3,550,381

The financial statements, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows, the Accounting Policies and the related notes, were approved by the Board of Directors and authorised for issue on 28 July 2022.

Signed on behalf of the Board



D L Littlewood
Director

Henry Boot Biddenham Limited
Registered in England No. 05901324

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2021

	Share Capital £	Retained Earnings £	Total Equity £
At 1 January 2020	100	3,524,563	3,524,663
Total comprehensive income for the year	-	25,718	25,718
At 31 December 2020	100	3,550,281	3,550,381
Total comprehensive income for the year	-	1,028,027	1,028,027
Dividends paid (Note 14)	-	(3,000,000)	(3,000,000)
At 31 December 2021	100	1,578,308	1,578,408

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 £	2020 £
Cash flows from operating activities		
Operating profit/(loss)	1,236,515	(154)
Operating cash flows before movements in working capital	1,236,515	(154)
Decrease/(increase) in inventories	222,552	(20,456)
Decrease/(increase) in receivables	1,556	26,228
Increase/(decrease) in payables	101,988	(72)
Cash flow from operations	1,562,611	5,546
Interest paid	(31)	-
Tax paid to parent	(6,032)	(5,709)
Net cash flow from operating activities	1,556,548	(163)
Cash flows from investing activities		
Advances received from group undertaking	1,444,000	-
Net cash flow from investing activities	1,444,000	-
Cash flows from financing activities		
Dividends paid	(3,000,000)	-
Net cash flow from financing activities	(3,000,000)	-
Net increase/(decrease) in cash and cash equivalents	548	(163)
Net cash and cash equivalents at beginning of year	279	442
Net cash and cash equivalents at end of year	827	279

ACCOUNTING POLICIES

General information

The Company is a limited Company incorporated in the UK and domiciled in the UK under the Companies Act 2006. The address of the registered office is Banner Cross Hall, Ecclesall Road South, Sheffield, England, United Kingdom, S11 9PD.

Basis of accounting

The financial statements have been prepared in accordance with International Accounting Standards in conformity with the Companies Act 2006.

The financial statements have been prepared on a going concern basis, applying a historical cost convention, except for financial instruments, which are measured at fair value.

Going concern

As part of the going concern assessment, the Directors have considered the Company's principal risk areas that they consider material to the assessment of going concern. Having completed this assessment, the Directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the ultimate Parent Company Henry Boot PLC. The Directors have received confirmation that Henry Boot PLC intends to support the Company up to 31 December 2023.

In undertaking the Henry Boot PLC Group going concern review, which covers the period to 31 December 2023, the Directors have assessed the Groups speed of recovery against the backdrop of significant cost inflation and interest rate rises in modelling a base case scenario, and in compiling forecasts consideration has been given to climate risk and the costs of transitioning to a low carbon economy. They have also modelled what they consider to be a severe downside scenario including a significant curtailment in activities

Henry Boot PLC meets its day-to-day working capital requirements through a secured loan facility. The facility was renewed on the 23 January 2020, at a level of £75m, for a period of three years and extended in January 2021 and January 2022 by a further two years to 23 January 2025. The facility includes an accordion to increase the facility by up to £30m, which can be requested by Henry Boot PLC at a time of its choosing.

The Directors of Henry Boot PLC have considered the likely impacts on the business arising from the conflict in Ukraine, which has occurred subsequent to the balance sheet date and is ongoing at the date of approval of the financial statements. The Directors are satisfied that the potential economic impacts of this event, is adequately taken into account in modelling a severe but plausible downside scenario.

The financial statements for the year ended 31 December 2021 have been prepared on the going concern basis as the Directors have determined that the Company has sufficient resources and liquidity facilities to meet its liabilities as they fall due for the period from the date of approval of the accounts up to 31 December 2023.

Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer excluding amounts collected on behalf of third parties. The Company recognises revenue when it transfers control over a product or service to a customer. Where consideration is not specified within the contract and therefore subject to variability, the Company estimates the amount of consideration to be received from its customer. The consideration recognised is the amount which is highly probable not to result in a significant reversal in future periods. Where a modification to an existing contract occurs, the Company assesses the nature of the modification and whether it represents a separate performance obligation required to be satisfied by the Company or whether it is a modification to the existing performance obligation.

ACCOUNTING POLICIES (CONTINUED)

Revenue recognition (continued)

The Company has some contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. The Company adjusts its transaction price for the time value of money.

Revenue from the sale of land and properties is generally a single performance obligation which is satisfied at the point in time when control of the land and properties has passed, typically on legal completion when legal title has transferred.

Variable consideration such as overages are estimated based on the amount of consideration the Company expects to be entitled to, taking into account the terms which may give rise to variability. This is estimated at contract inception and reassessed over the life of the contract.

Revenue from operating leases is recognised on a straight line basis over the lease term, except for contingent rental income which is recognised when it arises.

Critical judgements in applying IFRS 15 Revenue from Contracts with Customers

The following are the critical judgements in applying accounting policies that the Directors have made in the process of applying IFRS 15 Revenue from Contracts with Customers and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Judgement in determining the recognition of revenue at a point in time on land sale contracts – there is often judgement involved in evaluating when a customer obtains control of land during a sale, particularly where the contract includes licensing, risk or deferred payment term clauses. In determining the revenue recognition Directors consider the present right for payment, legal title, physical possession, risks and rewards of ownership and acceptance of the asset in forming their opinion. Where necessary third party advice is taken.

Financial risk

The objectives, policies and processes for managing financial risk are performed on a Group wide basis and disclosed in the financial statements of Henry Boot PLC.

Inventories

Inventories are stated at the lower of cost and estimated net realisable value and are subject to regular impairment reviews.

Inventories comprise all the direct costs incurred in bringing the individual inventories to their present state at the reporting date less the value of any impairment losses.

Impairment reviews are considered by management at each reporting date, write-downs or reversals are made to ensure that inventory is then stated at the lower of cost or net realisable value.

Net realisable value is considered in the light of progress made in the planning process, feedback from local planning officers, development appraisals and other external factors that might be considered likely to influence the eventual outcome. Where it is considered that no future economic benefit will arise, costs are written off to the Statement of Comprehensive Income.

Where individual parcels of land held for development are disposed of out of a larger overall development site, costs are apportioned based on an acreage allocation after taking into account the cost or net realisable value of any remaining residual land which may not form part of the overall development site or which may not be available for development. Where the Company retains obligations attached to the development site as a whole, provisions are made relating to these disposals on the same acreage allocation basis.

ACCOUNTING POLICIES (CONTINUED)

Tax

The tax charge on the profit or loss for the year comprises the sum of tax currently payable and any deferred tax movements in the period.

Corporation tax liabilities of the Company are transferred to and paid by the Parent Company and credit is received from the Parent Company for loss relief surrendered.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in computing taxable profits. The carrying amount of deferred tax assets is reviewed at each Statement of Financial Position date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Provision for tax is made at the appropriate rate anticipated to apply at the time of payment.

Dividends

The Company recognises a liability to pay a dividend when the distribution is authorised and the distribution is no longer at the discretion of the Company. Under UK company law a distribution is authorised when it is approved by the shareholders. A corresponding amount is then recognised directly in equity.

Share capital

Ordinary shares are classified as shareholders' equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Financial instruments

Financial assets or financial liabilities are recognised by the Company in the Statement of Financial Position only when the Company becomes a party to the contractual provisions of the instrument.

The principal financial instruments are:

- Trade and other receivables which are measured initially at fair value and then at amortised cost — where the time value of money is material, receivables are amortised using the effective interest rate method. IFRS 9's simplified approach to provisioning is used to calculate the Company's lifetime expected credit loss;
- Cash and cash equivalents which comprise cash at bank and in hand; and
- Trade and other payables which are on normal credit terms, are not interest bearing and are stated at their nominal values. Where the time value of money is material, payables are carried at amortised cost using the effective interest rate method (see Interest income and expense below).

Interest income and expense

Interest income and expense are recognised within 'Finance income' and 'Finance costs' in the Statement of Comprehensive Income using the effective interest rate method.

The effective interest rate method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or a shorter period where appropriate, to the net carrying amount of the financial asset or liability.

ACCOUNTING POLICIES (CONTINUED)

Capital management

The objectives, policies and processes for managing capital are performed on a Group wide basis and disclosed in the financial statements of Henry Boot PLC. This is unchanged from the previous year.

Critical accounting estimates and judgments

The critical judgement in applying the Company's accounting policies and that has the most significant effect on the amounts recognised in the financial statements relate to revenue recognition on land sales contracts. These are referred to above and are interpreted by management in the light of IFRS 15 'Revenue from Contracts with Customers'.

The key estimates and judgement concerning the future and other key sources of estimation uncertainty at the reporting date, and that could have a material adjustment to the carrying amounts of assets and liabilities over the ensuing year, are the impairment reviews of land, option and agency costs carried forward in inventories.

Impact of accounting standards and interpretations

At the date of authorisation of these Financial Statements, the following standards, amendments and interpretations to existing standards are effective or mandatory for the first time for the accounting year ended 31 December 2021:

		Effective from
IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (amended 2020)	'Interest Rate Benchmark Reform'	1 January 2021
IFRS 16 (amended 2020)	'Covid-19-related rent concessions'	1 June 2020
IFRS 4 (amended 2020)	'Extension of the temporary exemption from applying IFRS 9'	Immediately available

The adoption of these standards and interpretations has not had a significant impact on the Company.

At the date of the authorisation of these Financial Statements, the following standards, amendments and interpretations were in issue but not yet effective:

IFRS 17 (issued 2017)	'Insurance Contracts'	1 January 2023
IAS 1 (amended 2020)	'Classification of liabilities as current or non-current'	1 January 2023*
IFRS 3 (amended 2020)	'Reference to the Conceptual Framework'	1 January 2022
IAS 16 (amended 2020)	'Proceeds before intended use'	1 January 2022
IAS 37 (amended 2020)	'Costs of fulfilling a contract'	1 January 2022
Annual Improvements (issued 2020)	'Annual improvements to IFRS standards 2018 - 2020'	1 January 2022
IFRS 17 (amended 2020)	'Implementation challenges'	1 January 2023
IAS 1 (amended 2021)	'Disclosure of accounting policies'	1 January 2023*
IAS 8 (amended 2021)	'Definition of accounting estimates'	1 January 2023*
IFRS 16 (amended 2021)	'Covid-19-related rent concessions beyond June 2021'	1 April 2021
IAS 12 (amended 2021)	'Deferred tax related to Assets and Liabilities arising from a single transaction'	1 January 2023*
IFRS 17 (amended 2021)	'Initial application of IFRS 17'	1 January 2023*

* Not yet endorsed by the EU.

A review of the impact of these standards, amendments and interpretations has been conducted and the Directors do not believe that they will give rise to any significant financial impact.

In 2021, the company did not early adopt any new or amended standards and does not plan to early adopt any of the standards issued but not yet effective.

NOTES TO THE FINANCIAL STATEMENTS

1. Revenue – continuing operations	2021	2020
	£	£

An analysis of revenue is as follows:

Land promotion (recognised at a point in time)	2,050,000	-
Rents received	83	-
	2,050,083	-

2. Directors and employees	2021	2020
	Number	Number
Average monthly number of persons employed (including Directors):		
Directors	3	3
Company secretary	1	1
	4	4

3. Emoluments of Directors and employees

The Directors and the Company Secretary, who are the key management personnel of the Company, received no remuneration from this Company during the current or the prior financial year for their services to this Company. The Directors and the Company Secretary are remunerated by either the ultimate Parent Company or the immediate Parent Company for their services and it is considered that the amount receivable in respect of qualifying services to this Company is £nil (2020: £nil).

4. Operating profit

Auditors' remuneration for the current year of £4,000 (2020: £4,000) is borne by the Parent Company, Hallam Land Management.

5. Finance income	2021	2020
	£	£
Unwinding of discounting	32,685	31,904

6. Finance costs	2021	2020
	£	£
Other	31	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. Tax	2021	2020
	£	£
a) Analysis of charge in year:		
Current tax:		
Corporation tax charge at 19% (2020: 19%) on the profit (2020: profit) for the year	241,142	6,032
Total tax charge	241,142	6,032

In the Spring Budget 2021, the Government announced that from 1 April 2023 the main rate of UK corporation tax rate would increase from 19% to 25%. This new law was substantively enacted on 24 May 2021; deferred tax balances at the year end have been measured at 25% (2020: 19%) being the rate at which timing differences are expected to reverse.

b) Factors affecting tax charge for year:

The tax assessed for the year is equal to (2020: equal to) the standard rate of corporation tax in the United Kingdom of 19% (2020: 19%).

8. Inventories	2021	2020
	£	£
Land held for development or sale	1	222,553

9. Trade and other receivables	2021	2020
	£	£
Trade receivables and prepayments	1,382,744	1,351,615
Amounts owed by group undertakings		
- Fellow subsidiaries	658,933	2,102,933
	2,041,677	3,454,548

Due within one year	658,933	2,104,390
Due after more than one year	1,382,744	1,350,158
	2,041,677	3,454,548

The Directors consider that the carrying amount of trade and other receivables approximates to their fair value.

Non-current trade receivables relate to land and other deposits.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10.	Trade and other payables	2021 £	2020 £
	Trade payables	120,945	120,967
	Social security and other taxes	102,009	-
	Amounts owed to group undertakings		
	- Parent Company in respect of tax	241,143	6,032
		464,097	126,999
	Due within one year	464,097	126,999

The Directors consider that the carrying amount of trade and other payables approximates to their fair value.

11. Credit risk

The Company's principal financial assets are bank balances and cash, and trade and other receivables, which represent the Company's maximum exposure to credit risk in relation to financial assets.

Other than amounts owed by group undertakings, the Company's credit risk is primarily attributable to its trade receivables. The amounts presented in the Statement of Financial Position are net of allowances for doubtful receivables, estimated by the Company's management based on prior experience and their assessment of the current economic environment.

Credit losses expected with group undertakings are based on the assumption that repayment of the loan is demanded at the reporting date. Where there are insufficient liquid assets the Company considers the expected manner of recovery to measure expected credit losses.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. The Company has no significant concentration of credit risk in respect of trade receivables.

12. Share capital

The authorised share capital throughout the current and preceding year consisted of 100 ordinary shares of £1 each, all of which were allotted and fully paid.

13. Guarantees

The Company, together with certain other companies in the Group, has given cross guarantees to certain of the Group's bankers and bondsmen in respect of facilities available to Group undertakings in the normal course of business. At the year end amounts guaranteed against these facilities were £50.0m and £20.5m respectively. In the opinion of the Directors, no loss is expected to arise in connection with these matters.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14.	Dividend paid	2021 £	2020 £
	Paid during the year £30,000 per share (2020: £nil per share)	3,000,000	-

15. Related parties

The Company's ultimate Parent Company, immediate parent company and ultimate controlling party is Henry Boot PLC, a Company registered in England & Wales. The only group of undertakings of which the Company is a member is the Henry Boot PLC Group. Copies of the financial statements of this Group can be obtained from Banner Cross Hall, Ecclesall Road South, Sheffield, S11 9PD.

Auditors' remuneration is borne by a fellow subsidiary, Hallam Land Management in both the current and prior year.

Transactions between the Company and its related parties are shown below:

	2021 £	2020 £
Tax paid to parent	6,032	5,709

Amounts owed by or to group companies as disclosed in notes 9 & 10, respectively; are unsecured, repayable on demand and will be settled in cash. Interest is annually charged at 2.85% and received at 1.35% on borrowings and lendings respectively of actively trading group companies. No provisions have been made for doubtful debts in respect of the amounts owed by related parties.

16. Events after the balance sheet date

Following the balance sheet date, Russia entered a military conflict with Ukraine and this action remains ongoing at the date of approval of the financial statements. The conflict has resulted in elevated levels of political instability and uncertainty across Europe and contributed to significantly higher fuel prices (gas, electricity and oil derived products) as well as impacting supply chains.

The directors have considered the likely impacts on the business from the resultant inflation and supply chain disruption and continue to engage with suppliers to monitor and manage any potential issues. The Group and the Company has limited exposure to overseas markets as its customer base arises entirely in the United Kingdom.