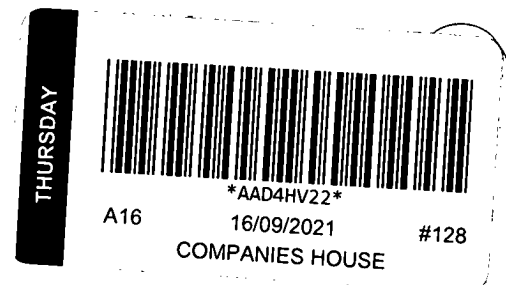


Registration No. 06856299

HANOVER HOUSING DEVELOPMENTS LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021



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Board and Advisers

Directors

Jane Ashcroft CBE
Sarah Jones
Mark Curran
Mark Greaves (resigned 28 February 2021)
Chris Munday (resigned 30 April 2021)
Kathryn Smith
Robert Martin (appointed 1 March 2021)
Simon Glucina (resigned 7 April 2021)

Company Secretary

Michelle Holt (appointed 1 May 2020)
Mary Keane (resigned 30 April 2020)

External Auditors

BDO LLP
2 City Place
Beehive Ring Road
Gatwick
West Sussex
RH6 0PA

Registered Office

The Heals Building
Suites A & B
Third Floor
22-24 Torrington Place
London
WC1E 7HJ

Bankers

Lloyds Banking Group PLC
25 Gresham Street
London
EC2V 7HN

Strategic Report

The directors present their strategic report on the company for the year ended 31 March 2021.

Principal activities

Hanover Housing Developments Limited is a company limited by shares and exists to support the work of Anchor Hanover Group. It delivers on this object by the development of social housing for Anchor Hanover Group on sites that are either originally owned by Anchor Hanover Group or have been bought specifically to enable development of housing.

The company is a wholly owned subsidiary of Anchor Hanover Group a company registered with the Mutuals Public Register of the Financial Conduct Authority under the Co-operative and Community Benefit Societies Act 2014.

Recognising its primary purpose of supporting the work of Anchor Hanover Group it does this by delivering developments directly at cost to Anchor Hanover Group and the company also delivers other property to generate surpluses mainly through the sale of housing on the open market.

The Board of Hanover Housing Developments is appointed by Anchor Hanover Group and the directors and Board members act in their capacity mindful of their direct responsibilities to Hanover Housing Developments.

Where they consider it appropriate the directors and Board share the risk of building speculative elements of developments with other key commercial developers. This is highlighted below on specific development sites.

Hanover Housing Developments carries no direct overheads and under a legal Service Level Agreement all staff and overheads are provided by resources of Anchor Hanover Group through an agreed recharge of costs.

Hanover Housing Development Board consider the rewards achieved in the form of taxable profits annually and throughout its history have agreed to use the benefits of Gift Aid to return surpluses to its charitable parent company, Anchor Hanover Group.

The company is funded through Anchor Hanover Group subscribing for shares issued by the company.

Review of the business

An Operating profit of £7.4m has been reported in the financial year to 31st March 2021 (2020: £2.5m).

The total value of stock held by the company at the year-end was £11.5m (2020: £31.0m).

The business is reliant on the continued support of its parent company Anchor Hanover Group with the subscription to its issued share capital. At year end that investment amounted to £1 (2020: £53.8m).

Strategic Report (continued)

As at 31 March 2021 the company had

	2021	2020
Cash & Investments	£5.3m	£33.7m
Creditors due in less than one year	£4.1m	£5.2m
Net Current assets	£13.5m	£60.5m
Surplus in year	£7.5m	£2.8m

Key performance indicators

Anchor Hanover does not set KPI's at subsidiary level. Refer to Anchor Hanover Group's consolidated financial statements for additional information on how Anchor Hanover Group measures and monitors performance. Copies of Anchor Hanover Group's consolidated financial statements are obtainable from the Company Secretary at: Anchor Hanover, The Heals Building, Suites A & B, Third Floor, 22-24 Torrington Place, London, WC1E 7HJ.

Principal risks and uncertainties

The company's principal exposure to risk is in respect of a change in market conditions which has effect on the market value of residential property and the availability and costs of materials and labour. The development portfolio and future expectations for the market are reviewed regularly and future development plans are amended accordingly.

Together with other group companies the company continues to work with key development partners on reducing the dependency on traditional construction methods. Furthermore, existing procurement activities have strengthened relationships with contractors using secure supply chains.

Covid-19 has had a significant financial impact on the economy including a short-term ban on house moves. There has also been an impact on potential customers and how our sales force interacts with them whilst both parties stay safe and reduce the risk of infection. The company was well placed during the crisis as modern marketing methods including videos and 3D walk-throughs were already in use and the sales team have employed video calling applications to interact directly with potential customers. A number of sales that were already in the pipeline pre-crisis have subsequently completed and whilst the medium-term impact is yet to be seen, interest in the properties for sale has rebounded. It is anticipated that the supported accommodation the company offers may see an increase in demand as potential customers see the benefits of the support in the event of a similar future event.

By Order of the Board



Sarah Jones
Director
8 September 2021

Directors' Report

Review of the business

A review of the business is provided within the Strategic Report.

Directors

The directors at 31 March 2021 and who held office during the period are detailed in the Board and Advisers section.

Health and safety

The company is committed to providing a safe and healthy environment for those affected by its activities.

Donations

The company has made £nil (2020: £nil) charitable or political donations or incurred any political expenditure during the year.

Post year end events

On 30 April 2021, the majority of the trade and assets of the company were transferred to Anchor Lifestyle Developments Limited. Following this sale, In July 2021 a gift aid donation of £19,155,624 was made to Anchor Hanover Group. At the time of signing, the remaining trade is being wound up with a view to striking the company off during the year ended 31 March 2022.

Dividends / gift aid

In accordance with the deed of covenant between the company and Anchor Hanover Group a dividend in the form of a gift aid donation will be paid equivalent to the company's taxable profits of £nil (2020: £2,883,000).

Post year end following the anticipated transfer of all trade and assets to other group entities the full remaining accumulated profits are expected to be donated as gift aid to Anchor Hanover Group.

Going concern

The sale of the remaining trade, assets and liabilities of the Company to other companies in the Anchor Hanover Group is expected to complete in August 2021 and the Company will then become dormant. As the Directors have confirmed that the Company will not continue to trade for a period longer than 12 months, the Directors have not prepared the financial statements on the going concern basis. No adjustments have been made to the financial statements as a result of ceasing to apply the going concern basis.

Directors' Report (continued)

Auditor

BDO LLP has expressed its willingness to continue in office as auditor to the Company. BDO LLP will be reappointed as auditor of the Company in accordance with the Company's constitution and relevant legislation.

Disclosure of information to auditor

Each director has taken appropriate steps to identify relevant audit information and establish that the company's auditor is aware of that information. The directors confirm, as far as they are aware, that there is no relevant audit information of which the company's auditor is unaware.

Statement of Directors' responsibilities

The directors are responsible for preparing the Strategic Report, the Directors' 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice) FRS 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 year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business. As explained in note 3.2 to the financial statements, the directors do not believe the going concern basis to be appropriate and, in consequence, these financial statements have not been prepared on that basis.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

By Order of the Board



Sarah Jones
Director
8 September 2021

Independent auditor's report to the members of Hanover Housing Developments Limited

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Hanover Housing Developments Limited ("the Company") for the year ended 31 March 2021 which comprise the Statement of comprehensive income, Statement of financial position, Statement of changes in equity and notes to the financial statements, including a summary of significant 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 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.

Emphasis of matter – basis of preparation other than going concern

We draw attention to Note 3.2 to the financial statements which explains that the directors ceased the operations of the Company subsequent to the year end. Therefore, they do not consider it to be appropriate to adopt the going concern basis of accounting when preparing the financial statements. Accordingly, the financial statements have been prepared on a basis other than that of going concern as described in Note 3.2. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially

Independent auditor's report to the members of Hanover Housing Developments Limited (continued)

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 this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

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

- the information given in the Strategic report and 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 material misstatements in the Strategic report or 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.

Responsibilities of Directors

As explained more fully in the Director's 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.

Independent auditor's report to the members of Hanover Housing Developments 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.

Extent to which the audit was 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:

Based on our understanding and accumulated knowledge of the Company and the sector in which it operates we considered the risk of acts by the Company which were contrary to applicable laws and regulations, including fraud and whether such actions or non-compliance might have a material effect on the financial statements. These included but were not limited to those that relate to the form and content of the financial statements, such as the Company accounting policies, the financial reporting framework and the UK Companies Act 2006. All team members were briefed to ensure they were aware of any relevant regulations in relation to their work.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries and management bias in accounting estimates as well as inappropriate revenue cut-off. Our audit procedures included, but were not limited to:

- Agreement of the financial statement disclosures to underlying supporting documentation;
- Identifying and testing journal entries, with a focus on manual journals to revenue, unusual account combinations and journals indicating large or unusual transactions based on our understanding of the business;
- Testing a sample of revenue recognised either side of the period end to ensure revenue has been recognised in the correct period;
- Challenging assumptions, accounting estimates and judgements made by the Directors, particularly in relation to the carrying value of properties held for resale and work in progress;
- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;

Independent auditor's report to the members of Hanover Housing Developments Limited (continued)

- Obtaining an understanding of the control environment in monitoring compliance with laws and regulations

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that 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, misrepresentations or through collusion.

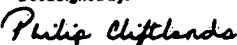
There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that 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, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

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.

DocuSigned by:

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Philip Cliftlands (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Gatwick, UK

10 September 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Statement of Comprehensive Income

for the year ended 31 March 2021

	Note	2021	2020
		£'000	£'000
Turnover	5	30,196	15,279
Cost of sales	6	(19,712)	(10,949)
Gross profit		10,484	4,330
Operating costs	7	(47)	(790)
Administrative expenses	8	(2,441)	(938)
Impairment	9	(592)	-
Disposal of assets		(22)	(53)
Operating profit		7,382	2,549
Interest receivable & similar income	10	150	284
Interest payable and similar charges		-	-
Profit on ordinary activities before taxation		7,532	2,833
Tax charge	11	-	-
Total comprehensive income for the year		7,532	2,833

The accompanying accounting policies and notes on pages 16 to 24 form an integral part of these financial statements.

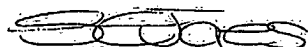
Statement of Financial Position

As at year ended 31 March 2021

	Note	2021	2020
		£'000	£'000
Current assets			
Stock and work in progress:			
Housing properties WIP	13	11,473	30,991
Debtors	14	832	1,017
Cash & Cash Equivalents	15	5,333	33,739
		<u>17,638</u>	<u>65,747</u>
Creditors: amounts falling due within one year	16	(4,105)	(5,199)
Net current assets		13,533	60,548
Creditors: amounts falling due after one year	17	-	(790)
Total assets less current liabilities		<u>13,533</u>	<u>59,758</u>
 Capital and reserves			
Share capital	18	-	53,757
Revenue reserves	19	13,533	6,001
Total assets less current liabilities		<u>13,533</u>	<u>59,758</u>

These financial statements were approved by the Board of Directors on 8 September 2021.

Signed on behalf of the Board of Directors:



Sarah Jones
Director

The accompanying accounting policies and notes on pages 16 to 24 form an integral part of these financial statements.

Hanover Housings Developments Limited – Year ended 31 March 2021

Company registration No. 06856299

Statement of Changes in Equity

For the year ended 31 March 2021

	Share capital	Revenue reserves	Total
	£'000	£'000	£'000
1 April 2019	53,757	6,001	59,758
Shares redeemed in year	-	-	-
Profit during the year	-	2,833	2,833
Gift aid	-	(2,833)	(2,833)
31 March 2020	53,757	6,001	59,758
Shares issued/ (redeemed) in year	(53,757)	53,757	-
Profit during the year	-	7,532	7,532
Gift Aid	-	(53,757)	(53,757)
31 March 2021	-	13,533	13,533

The notes on pages 16 to 24 form part of these Financial Statements.

Notes to the financial statements for the year ended 31 March 2021

1. General information

Hanover Housing Developments Limited ("the company") develops retirement housing properties for sale.

The company is a private company limited by shares and is incorporated and domiciled in England. The address of its registered office is: The Heals Building, Suites A & B, Third Floor, 22-24 Torrington Place, London, WC1E 7HJ.

2. Statement of compliance

The individual financial statements of the company 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.

3. Accounting policies

The following accounting policies have been applied consistently in dealing with items that are considered material in relation to the company's financial statements.

i.) Basis of preparation

The financial statements have been prepared on a basis other than a going concern basis, in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom due to the expected cessation of trade post year-end.

ii.) Going concern

The sale of the majority of the trade, assets and liabilities to Anchor Lifestyle Developments Limited completed on 30 April 2021. The remaining trade, assets and liabilities are expected to be sold to other group companies before the end of March 2022 at which point the company will become dormant. As the Directors have confirmed that the Company will not continue to trade for a period longer than 12 months, the Directors have not prepared the financial statements on the going concern basis. No adjustments have been made to the financial statements as a result of ceasing to apply the going concern basis as the trade and assets were transferred as a going concern.

Notes to the financial statements for the year ended 31 March 2021 (continued)

iii.) Significant judgements and estimates

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

Recognition and allocation of construction cost on properties under development

Development costs of properties are recorded as properties under development during the construction stage and will be transferred to completed properties held for sale upon completion. An apportionment of these costs will be recognised in the statement of profit or loss upon the recognition of the sale of the properties. Before the final settlement of the development costs and other costs relating to the sale of the properties, these costs are accrued by the Company based on management's best estimate.

When developing properties, the Company may divide the development projects into phases. Specific costs directly related to the development of a particular phase are recorded as the cost of such phase. Common costs are allocated to individual phases based on the estimated saleable area of the entire development project.

Assets held for sale

Stock includes properties for sale. In addition, the Company holds work in progress on schemes where properties are being developed for sale. The value of each asset is assessed for impairment by review against its selling price less costs to complete and sell and each scheme in progress against expected proceeds less costs to be incurred. An impairment charge of £592,000 has been taken in the year.

iv.) Exemptions

FRS 102 allows a qualifying entity certain disclosure exemptions. The company has taken advantage of the following:

- No cashflow statement has been presented for the company;
- Disclosures in respect of the company's financial instruments have not been presented as equivalent disclosures have been provided in respect of the group as a whole;
- No disclosure has been given for the aggregate remuneration of the key management personnel of the company as their remuneration is included in the totals of the group as a whole; and
- Related party transactions entered into between two or more members of the group.

Notes to the financial statements for the year ended 31 March 2021 (continued)

v.) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied or services rendered, net of returns, discounts and rebates allowed by the company and value added taxes.

The company sells retirement leasehold properties. Revenue is recognised in the accounting period in which property sales legally complete. Deposits and reservation fees are held in current liabilities until the relevant property sale legally completes.

vi.) Financial instruments

Financial instruments which meet the criteria of a basic financial instrument as defined in section 11 of FRS 102 are accounted for under an amortised historical cost model.

vii.) Stock

Stock is stated at the lower of cost and estimated selling price less costs to complete and sell. Inventories are recognised as an expense in the period in which the related revenue is recognised.

viii.) Debtors

Short term debtors are measured at transaction price, less any impairment estimate of the amount required to settle the obligation at the reporting date.

ix.) Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs and are measured subsequently at amortised cost using the effective interest method.

x.) Provisions

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that the group will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Notes to the financial statements for the year ended 31 March 2021 (continued)

xi.) Related party transactions

The company discloses transactions with related parties which are not wholly owned within the same group. It does not disclose transactions with members of the same group that are wholly owned.

xii.) Taxation

Tax on the surplus or deficit for the year comprises current and deferred tax. Tax is recognised in the income and expenditure reserve except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

xiii.) Dividends / Gift aid

The donation from the company to its charitable parent is treated as a distribution from shareholders' funds. The donation is recognised in the period in which it is declared or the legal obligation to pay it arises.

4. Directors' emoluments

The directors of the company, in the current year, were paid by Anchor Hanover Group for their services to the Group as a whole. It is not possible to identify the proportion of their time which is spent directly on the affairs of the company and, as such, no allocation has been made to this company (2020: same).

5. Turnover

	2021 £'000	2020 £'000
Sale of properties - outright sale	27,411	14,827
Sale of properties - shared ownership	-	-
Sale of properties – to Group parent	2,785	452
	30,196	15,279

All sales arise in the UK.

Notes to the financial statements for the year ended 31 March 2021 (continued)

6. Cost of sales

	2021 £'000	2020 £'000
Direct cost – outright sale	17,954	10,497
Direct cost - shared ownership	1,758	-
Direct cost – sales to Group parent	-	452
	<u>19,712</u>	<u>10,949</u>

7. Operating costs

	2021 £'000	2020 £'000
Indirect costs of trading property sales - shared ownership	<u>47</u>	<u>790</u>

The company's audit fee of £5,000 was borne by Anchor Hanover Group and not recharged to the company (2020: £5,000).

8. Administrative expenses

	2021 £'000	2020 £'000
Intercompany overhead recharges	195	257
Other	2,246	681
	<u>2,441</u>	<u>938</u>

9. Impairment

	2021 £'000	2020 £'000
Impairment of stock	<u>592</u>	<u>-</u>

The Company took an impairment charge in the year relating to a single completed development site where the market value was less than the book value plus costs to sell.

Notes to the financial statements for the year ended 31 March 2021 (continued)

10. Interest Receivable

	2021 £'000	2020 £'000
Interest receivable from banks, building societies and other investments	150	284
	150	284

11. Taxation

The taxation charge comprises:

	2021 £'000	2020 £'000
<i>Current tax</i>		
UK Corporation tax at 19% (2020: 19%)	-	-

Reconciliation of effective tax rate

	2021 £'000	2020 £'000
Profit on ordinary activities before taxation	7,532	2,833
Tax using the UK corporation tax rate of 19% (2020: 19%)	1,431	538
Tax exempt revenues gift aid	(1,374)	(538)
Timing difference	(57)	-
Total tax charge included in Statement of Comprehensive Income	-	-

Factors affecting the tax charge for future periods

A UK corporation rate of 25% (effective 1 April 2023) was substantively enacted on 24 May 2021. This will increase the company's future current tax charge accordingly.

12. Employees

The company is party to a Service Level Agreement (SLA) with Anchor Hanover Group (AHG) on an arm's length basis. The SLA includes the provision of staff and directors in return for a fee.

The company had no employees during the period of these Financial Statements (2020: None).

Notes to the financial statements for the year ended 31 March 2021 (continued)

13. Stock and work in progress

	2021 £'000	2020 £'000
Properties under construction including land held for development/sale		
Properties under construction	-	22,304
Completed properties held for outright sale	11,473	8,687
	11,473	30,991

Properties developed and land held for development / sale are treated as current assets and are held at the lower of cost and net realisable value until sold.

Stock recognised in cost of sales as an expense was £19,712k (2020: £10,949k).

None of the stock is pledged as collateral against borrowing by the company (2020: £nil).

14. Debtors

	2021 £'000	2020 £'000
Amounts due from parent undertaking	828	-
Other debtors, prepayments & accrued income	4	1,017
	832	1,017

15. Cash and Cash Equivalents

	2021 £'000	2020 £'000
Cash in hand	47	113
Short term investments	5,286	33,626
	5,333	33,739

None of the cash is restricted.

16. Creditors: amounts falling due within 1 year

	2021 £'000	2020 £'000
Amounts owed to parent undertaking	-	2,442
Trade creditors	12	13
Accrued expenses	4,088	2,624
Other creditors including taxation	5	120
	4,105	5,199

Notes to the financial statements for the year ended 31 March 2021 (continued)

17. Creditors: amounts falling due after 1 year

	2021 £'000	2020 £'000
Grants	-	790
	<u>-</u>	<u>790</u>

18. Share Capital

Issued and fully paid ordinary shares of £1 each:

	2021 £'000	2020 £'000
As at 1 April	53,757	53,757
Cancelled during the year	(53,757)	-
As at 31 March	<u>-</u>	<u>53,757</u>

All share capital is issued to Anchor Hanover Group, the ultimate parent undertaking.

19. Reserves

	2021 £'000	2020 £'000
As at 1 April	6,001	6,001
Profit in the year	7,532	2,833
Gift aid distribution	(53,757)	(2,883)
Capital reduction	53,757	-
As at 31 March	<u>13,533</u>	<u>6,001</u>

20. Commitments

	2021 £'000	2020 £'000
Capital expenditure that has been contracted for but has not been provided for in these Financial Statements	-	1,174

The company expects to finance these contracted commitments through:

	2021 £'000	2020 £'000
Surpluses and Share Capital	-	1,174
	<u>-</u>	<u>1,174</u>

Notes to the financial statements for the year ended 31 March 2021 (continued)

21. Controlling parties

The ultimate parent undertaking and the smallest and largest group to consolidate these financial statements is Anchor Hanover Group a Community Benefit Society registered in England and Wales. Copies of the Anchor Hanover Group consolidated financial statements can be obtained from the Company Secretary at: Anchor Hanover Group, The Heals Building, Suites A & B, Third Floor, 22-24 Torrington Place, London, WC1E 7HJ.

22. Post Year End Events

On 30 April 2021, the majority of the trade and assets of the company were transferred to Anchor Lifestyle Developments Limited. Following this sale, In July 2021 a gift aid donation of £19,155,624 was made to Anchor Hanover Group. At the time of signing, the remaining trade is being wound up and the company is expected to become dormant before 31 March 2022.