EASTBOURNE HOUSING INVESTMENT COMPANY LIMITED

Annual Report and Financial Statements

For the financial year ended 31st March 2022

Company Registration Number: 09571387 (England and Wales)

Contents of the Annual Report

Company Information

Board Directors

Roger Eastwood (Chair)
David Tutt
Ian Fitzpatrick
Timothy Whelan
Margaret Bannister

Company Secretary

Jane McCarthy-Penman

Registered Office

Town Hall
Grove Road
Eastbourne
East Sussex
BN21 4UG

Company Registration Number: 09571387

Auditor

RSM UK Audit LLP
Chartered Accountants
Portland
25 High Street
Crawley
West Sussex
RH10 1BG

Bankers

Lloyds Bank plc
City Office
PO Box 72
Bailey Drive
Gillingham Business Park
Gillingham
Kent
ME8 0LS

Directors' Report

The Directors present their annual report and financial statements for the year ended 31st March 2022.

Principal Activities

The principal activity of the Company is the development of housing stock and the letting of commercial and residential properties.

Directors

The Directors who held office during the year and up to the date of signature of the financial statements were as follows:

Roger Eastwood (Chair)

David Tutt

Ian Fitzpatrick

Timothy Whelan

Margaret Bannister

Qualifying Third Party Indemnity Provisions

The Company has made qualifying third-party indemnity provisions for the benefit of its Directors during the period. These provisions remain in force at the reporting date.

Going concern

Based on appropriate inquiries, including the review of financial forecasts that take heightened macroeconomic and geopolitical uncertainty into account. A rising inflation rate and its impact on our markets can present a challenge. In addition to affecting our tenants, escalating prices also have an effect on our operational activities. The Board of Directors has a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future which is at least 12-months from the date of approval of the financial statements and that there are no material uncertainties about the Company's ability to continue as a going concern.

The Board leased out five blocks of Victoria Mansions property units for a period of 166 years during the current year. With the freed-up capital, EHICL has been able to progress our debt management strategy and are prioritizing asset management in our approach to managing risk and taking advantage of new opportunities. Also, EHICL enjoys the continued support of Eastbourne Borough Council (EBC) as a subsidiary, tasked with the objective of property acquisition and management with commercial motive to prevent urban blight in Eastbourne and its immediate environs for which the Council's continued support has been confirmed in writing and will be provided whenever it is required. For this reason, the going concern basis has been adopted in preparing the financial statements.

Auditor

RSM UK Audit LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed as appointed as auditors in the absence of an Annual General Meeting.

Statement of Disclosure to Auditor

So far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware. Additionally, the Directors have taken all the necessary steps they ought to have taken as Directors in order to make themselves aware of all 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 provisions applicable to companies entitled to the small companies' exemption.

By order of the Board

DocuSigned by:
Jane McCarthy-Penman
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J K R McCarthy-Penman

Company Secretary

Directors' Responsibilities Statement for the Year Ended 31st March 2022

The Directors are responsible for preparing 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, the Directors have elected to prepare the financial statements in accordance with the United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, 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 and loss of the company for that period. In preparing these financial statements, the Directors are required to:

- Select suitable accounting policies and apply them consistently.
- Make judgements and accounting estimates that are reasonable and prudent.
- 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 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.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Eastbourne Housing Investment Company Limited website, which is shared with Eastbourne Borough Council and Lewes District Council. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditor's report to the members of Eastbourne Housing Investment Company Limited

Opinion

We have audited the financial statements of Eastbourne Housing Investment Company Limited (the 'company') for the year ended 31 March 2022 which comprise the statement of comprehensive income, balance sheet and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 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.

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 within 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 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.

Independent auditor's report to the members of Eastbourne Housing Investment Company Limited (continued)

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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report or in preparing the directors' report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 6, 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.

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

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations

Independent auditor's report to the members of Eastbourne Housing Investment Company Limited (continued)

that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, inspecting correspondence with local tax authorities.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to the Health and Safety at Work Act 1974, the Data Protection Act 2018, the Housing Act. We performed audit procedures to inquire of management the company is in compliance with these law and regulations and inspected correspondence with licensing or regulatory authorities where available.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business.

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

Independent auditor's report to the members of Eastbourne Housing Investment Company 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.

RSM UK Audit LLP

DOMINIC BLYTHE (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Portland, 25 High Street
Crawley
West Sussex
RH10 1BG
Date: 24/11/22

Statement of Comprehensive Income

For the Year Ended 31st March 2022

	Notes	Year Ended 31 March 2022 £	Year Ended 31 March 2021 £
Turnover		762,131	1,048,931
Gain on disposal of investment properties		39,309	-
Administrative expenses		(255,958)	(284,714)
Operating profit		545,482	764,217
Movement in fair value of investment property	5	1,327,504	307,591
Interest receivable		61	7
Interest payable and similar charges	2	(592,837)	(647,924)
Profit before taxation	3	1,280,210	423,891
Taxation	4	-	-
Profit for the financial period	11	1,280,210	423,891

Balance Sheet

As at 31st March 2022

	Notes	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Investment properties	5		17,888,457		25,944,397
Current assets					
Debtors	6	260,546		76,902	
Cash at bank and in hand		212,662		289,355	
		473,208		366,257	
Creditors: amounts falling due within one year	7	(1,027,578)		(1,156,777)	
Net current liabilities			(554,370)		(790,520)
Total assets less current liabilities			17,334,087		25,153,877
Creditors: amounts falling due after more than one year	8		(14,232,550)		(23,332,550)
Net asset			3,101,537		1,821,327
Capital and reserves					
Called up share capital	9		100		100
Profit and loss reserves	11		3,101,437		1,821,227
Total equity			3,101,537		1,821,327

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the Board of directors and authorised for issue on 29th September 2022 and are signed on its behalf by:

DocuSigned by:

13 November 2022 | 11:59:39 AM GMT

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R C Eastwood

Director

Notes to the Financial Statements for the Year Ended 31st March 2022

1. Accounting Policies

Company information
Eastbourne Housing Investment Company Limited is a private company limited by shares incorporated in England and Wales. The registered office is Town Hall, Grove Road, Eastbourne, East Sussex, BN21 4UG.

Accounting Convention
These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies' regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

Going Concern
After making appropriate enquiries, including the review of financial forecasts which include consideration of post Covid 19, the board of Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future which is at least 12 months from the date of approval of the financial statements and that there are no material uncertainties about the Company's ability to continue as a going concern. The company has the continued support of EBC which has been confirmed in writing. As a result, the directors believe that preparing the financial statements on the going concern basis is appropriate and that no material uncertainty exists.

Turnover
Turnover represents rents and grants receivable from investment properties, along with profit on the disposal of properties, and is recognised in the period it relates to.
Rental income is measured at the fair value of the consideration received or receivable and represents the amount receivable for the services rendered net of empty properties.

Investment Properties
Investment properties are initially measured at cost and subsequently measured at fair value where a reliable measure of fair value is available without undue cost or effort. Changes in fair value are recognised in profit or loss.

The fair value of the Company's investment properties at 31st March 2022 has been arrived at on the basis of a valuation carried out at that date by Wilks Head & Eve, Chartered Surveyors, on an open market value basis. The Fair Value of the asset, for the current use, has been determined by applying an income or comparative approach based on the rental value of the property.

General and specific borrowing costs directly attributable to the acquisition and development of investment properties that take a substantial period of time to get ready for their intended use or sale are added to the cost of these properties until such time as the properties are ready for their intended use or sale.

The Companies Act 2006 requires all properties to be depreciated. However, this requirement conflicts with the generally accepted accounting principle set out in FRS 102. The Directors consider that, because investment properties are not held for consumption, but for their investment potential, to depreciate them would not give a true and fair view.

Notes to the Financial Statements (continued)
For the Year Ended 31st March 2022

1. Accounting Policies (Continued)

If this departure from the Companies Act 2006 had not been made in order to give a true and fair view, the profit for the financial year would have been reduced by depreciation. However, the amount of depreciation cannot reasonably be quantified, because depreciation is only one of many factors reflected in the annual valuation and the amount relating to the depreciation of the property cannot be separately identified.

Impairment of Fixed Assets
At each reporting end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate which reflects current market assessments of the time and value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Financial Instruments
Financial instruments are recognised when the Company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Financial assets are classified into specific categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Basic Financial Assets
Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price, including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Loans and Receivables
Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.
Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Notes to the Financial Statements (continued)
For the Year Ended 31st March 2022

1. Accounting Policies (Continued)

Impairment of Financial Assets
Financial assets are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of Financial Assets
Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Financial Liabilities
Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic Financial Liabilities
Basic financial liabilities, including trade and other payables are initially recognised at transaction price where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Trade Creditors
Trade creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Where the arrangement with a trade creditor constitutes a financing transaction, the creditor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar instrument.

Derecognition of Financial Liabilities
Financial liabilities are derecognised when, and only when, the company's contractual obligations are discharged, cancelled, or they expire.

Equity Instruments
Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Notes to the Financial Statements (continued)
For the Year Ended 31st March 2022

1. Accounting Policies (Continued)

Taxation
The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to the profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously. Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measure on a non-discounted basis.

Judgements and key sources of estimation uncertainty
In the application of the limited liability partnership's accounting policies, the members are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.
The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised were the
revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:
Valuation of investment property.
The investment property has been valued at Fair Value by an independent third-party valuer, in accordance with the Royal Institute of Chartered Surveyors ("RICS") Valuation. The valuations are made by reference to market evidence of transaction prices for comparable properties, taking into account other relevant factors such as the condition of the properties and the nature of tenancy agreements.
Management also consider any special assumptions that are relevant to the particular circumstances, which are then applied to the valuation.

2. Interest Payable

Interest payable arises from loans received from parent undertaking.

Notes to the Financial Statements (continued)
For the Year Ended 31st March 2022

3. Profit Before Taxation

	2022 £	2021 £
Profit before taxation for the period is stated after charging:		
Fees payable to the Company's auditors for the audit of the Company's Financial statements	15,000	13,380

4. Taxation

The company has unutilised trading losses carried forward of £694,135 (2021: £654,017) to use against future profits of the same trade

A deferred tax asset of £165,960 (2021: £117,392) has not been recognised in respect of these losses at corporation tax rate of 25% (2021: 19%) due to uncertainty over the timing of profits against which the asset will be recovered.

5 Investment properties

	£
Fair value	
At 1st April 2021	25,944,397
Additions	702,247
Movement in fair value	1,327,504
Disposal in the year	(10,085,691)
At 31st March 2022	17,888,457
At 31 March 2021	25,944,397

Investment properties are initially measured at cost which amounts to £14.5m as at 31st March 2022 (2021: £23.5m) and subsequently measured at fair value where a reliable measure of fair value is available without undue cost or effort. As at 31st March 2022, £16,311 (2021: £184,446) interest cost was capitalised at an average rate of 3% per annum.
The investment properties were valued by an external valuer of the Wilks Head & Eve LLP, the basis for valuation is disclosed within Note 1 of this report, the valuation provided is not subject to material uncertainty.

Notes to the Financial Statements (continued)
For the Year Ended 31st March 2022

6 Debtors

Amounts falling due within one year:	**2022 £**	**2021 £**
Trade debtors	59,187	39,196
Amounts due from group undertakings	165,140	-
Other debtors	36,219	37,706
	260,546	76,902

7 Creditors: amounts falling due *within one year*

	2022 £	**2021 £**
Trade creditors	-	22,525
Other creditors	27,703	107,822
Amounts due to group undertakings	798,010	873,851
Accruals and deferred income	201,865	152,579
	1,027,578	1,156,777

8 Creditors: amounts falling due after more than one year

	2022 £	**2021 £**
Amounts owed to parent undertaking	14,232,550	23,332,550

Security in the form of a first charge over the investment properties of the company has been given in respect of loans from Eastbourne Borough Council of £14,232,550 (2021: £23,332,500). This amount is *included within amounts owed to parent undertaking.*

The terms of loans in are an annual interest rate of 4.5% with repayment expected in 40 years from the date of the first drawdown.

Amounts included above which fall due after five years are as follows:

Payable other than by instalments	14,232,550	23,332,550

Notes to the Financial Statements (continued)
For the Year Ended 31st March 2022

9 Called up share capital

	2022 £	2021 £
Issued and fully paid		
100 Ordinary shares of £1 each	100	100

10 Related party transactions

During the year Eastbourne Borough Council, the parent entity charged EHICL £603,827 in respect of administration and loan interest costs. At the year ending 31 March 2022, £433,444 was owed to EBC (2021: £556,939).

Eastbourne Homes Ltd, a subsidiary of Eastbourne Borough Council, provides repairs and maintenance services to the company, and the total cost, including management fees, was £260,951 while the liability owed to EHL as of 31 March 2022 is £362,343 (2021: £556,939).

Aspiration Homes Limited Liability Partnership is a joint venture between Eastbourne Borough Council and Lewes District Council, both partners, with each owning 50%. By virtue of this relationship, it is a related party. EHICL acted as agent for AHLLP and recharged £3.3m in respect of Victoria Mansions regeneration works. At the year ending 31 March 2022, £165,140 was owed to EHICL (2021: £nil).

11 Reserves

	2022 £	2021 £
At the beginning of the year	1,821,227	1,397,336
Profit for the year	1,280,210	423,891
At the end of the year	3,101,437	1,821,227

12 Control

The ultimate parent undertaking and controlling party is Eastbourne Borough Council. This entity's financial statements are consolidated into Eastbourne Borough Council's financial statements. The parent's registered address is Town Hall, Grove Road, Eastbourne, East Sussex, BN21 4UG.