1992

Report & Accounts 2022

Galliard Group Limited

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THANK YOU FOR YOUR SUPPORT

2022

Belgrave Village • Birmingham

Contents

2022
HIGHLIGHTS

Measure	Change	2022	2021
Turnover	32%	£204m	(2021: £300m)
Pre-tax Profit*	70%	£20m	(2021: £66m)
Operating Profit	43%	£28m	(2021: £49m)
Net Assets	0%	£320m	(2021: £319m)
Homes Completed	43%	1,103	(2021: 771)
Sites Under Development	11%	£50m	(2021: £56m)
Safety at the Workplace	0%	0.03	(2021: 0.03)
Future Outlook	8%	7,560 units	(2021: 7,000 units)

* Before exceptional cost

Soho Wharf • Birmingham

This 11.6 acre scheme has been forward sold by the Galliard Apsley Partnership for £160 million. The development will deliver 102 townhouses together with apartments, with almost 40% of the site providing open green space – comprising new public realm, communal areas and private gardens for the townhouses.

Galliard Homes

WHO

Our customers are a mix of first time buyers, other owner-occupiers and buy-to-let investors from the UK and abroad. We pride ourselves in the number of repeat buyers who have built their own portfolio of Galliard homes.

WHAT

Our core business is residential development, usually of apartment blocks although mixed-use schemes are not uncommon where a commercial element is included.

WHY

Our aim is to deliver the best possible outcome for all stakeholders in the business. The board recognises that its decisions can have far-reaching implications for a great many interested parties.

WHEN

We aim to achieve planning and complete construction as soon as is practically possible. Our business model depends on a fast turnaround of sites so we do not sit on land banks.

WHERE

We are leaders in urban regeneration and look to build in undervalued locations that will give purchasers maximum upside potential on their investment.

DEVELOPING DISTINCTION

Chairman's statement

When last I wrote, the country was still firmly in the grips of the COVID pandemic and, although our sector was fortunate to have avoided the worst ravages of the illness, we all remained in a state of limbo waiting for large parts of the economy to reopen and begin the process of restitution. Today the situation has improved immeasurably. The government has moved from its policy of containment of the disease to one of acceptance and tolerance of it and, as a result, our liberties have been largely restored and we can now start to return to "business as usual".

It hardly seems possible, but this year marks the thirtieth anniversary of our commencement of trading. I well remember sitting down with my then business partner, the late John Black, to talk about the possibility of developing a small block of flats off Galliard Road in Edmonton little knowing what it would lead to. Against the odds we have not only survived the economic turmoils of the past thirty years but have thrived and grown into a prominent and respected member of the UK residential development community. We can all look back with pride at our legacy from the past thirty years. The construction of some of London's most prestigious apartment blocks, the completion of a number of landmark regeneration schemes, the building of many thousands of homes, the provision of employment for thousands of different people, even the donation of millions of pounds to various charitable causes. And we can all look forward to the future because, thirty years ago we started with little more than good intentions whereas today we have a solid corporate structure with a strong balance sheet and an enviable trading record. If the last thirty years are anything to go by, then there will be plenty of excitement to come.

We will be opening our next chapter without two long serving and valued colleagues. Don O'Sullivan left the group in March 2022 after more than twenty years' service during which he rose through the ranks to eventually become CEO. With only four years' less service, Jonathan Morgan also won deserved promotion throughout his time with us, ultimately serving as Director of Investments and Developments. Their contributions to Galliard's growth have been invaluable and I wish them both every success as they embark on the next stage in their careers.

Newham's Yard • Tower Bridge Road SE1

I have now resumed my previous role of CEO and my three sons, Gary, David and Richard were each keen to take on additional responsibilities to ensure that all aspects of our corporate governance continued uninterrupted. I am also delighted to welcome Darren Maguire and Eli Dias to our management board as worthy replacements for the technical expertise we require. Both Darren and Eli have each been with us for eight years already and they will make an important contribution to the future progress of the group.

Over the past few years, we have seen a change in the buying habits of our customers. There has been a clear move away from buying off-plan towards a preference for seeing the final product before committing to purchase. The reasons are not entirely clear but could be COVID related in that people's horizons have shortened and there is less appetite for long term commitments. This will clearly have an impact on our historic business model so alternative strategies have to be explored. One such alternative is a move into more traditional housebuilding rather than high-rise apartments and we have recently started to acquire sites that fall into this category.

We have also joined forces with Wavensmere Homes, a Birmingham-based developer with considerable housebuilding experience. Our first collaboration will be at our Shotley Peninsular site near Ipswich in Suffolk. We have owned this site for many years and achieving suitable planning consent has not been easy, but there is now an agreed scheme for a 295-house village that will commence shortly. The development has been rebranded as Barrelmans Point to preserve the area's association with the seafaring community. We will also be working with Wavensmere as well as Apsley House Capital plc at our Birmingham Middleway site. It is over twenty years since the Joseph Chamberlain Sixth Form College closed on this site which will be transformed into a neighbourhood of 264 apartments and 174 houses. We are proud to be associated with this important regeneration project.

The growth in PRS schemes has been a key feature of the UK housing market for some years now. It is a fact that the rise in house prices combined with a contraction in the availability of mortgages has triggered a shift away from the traditional home ownership model, that has differentiated UK society from its European counterparts, to a rental-based template particularly for the younger demographic who would normally expect to become first-time buyers. Combine this with a growing proportion of the population who prefer a flexible tenure rather than a commitment to stay in one place together with the government's recent fiscal squeeze on individual buy-to-let investors and an ideal opportunity for institutional investors to take advantage of a gap in the market has resulted.

We are seeing increasing interest from PRS investors to forward fund either the whole or a part of selected developments which fits well with our risk-averse mindset. Our site at Grafton Way in Ipswich which has planning for 173 houses, for example, has been forward funded by Pakaged Living, a specialist build to rent developer backed by Aviva. PRS schemes are becoming ever more popular and we will certainly take advantage of opportunities as they arise.

There has been much recent publicity about the government's response to the Grenfell Tower tragedy particularly with regard to residential property developers. I should make it clear at the outset that Galliard has always supported the view that it would be unfair for leaseholders to be responsible for the cost of remedial works to the buildings they occupy. That is why we have signed up to the government's pledge. It would be equally unfair, however, if developers were made to bear a disproportionate share of those costs. Responsibility should be taken all the way down the supply chain particularly as, certainly in Galliard's case, all building regulations that subsisted at the time of construction of each of our developments were complied with. We have been at the forefront of the remediation effort. At New Capital Quay in Greenwich, Galliard became the first developer in the country to secure the replacement of all external cladding. This was for not one, but eleven high-rise blocks and the residents paid nothing towards the cost. We remain committed to a fair and proportionate outcome to the issue.

My thanks, as always, go to our exceptional workforce for their efforts over the past year and I look forward to continued progress by the group in the coming year.

Stephen Conway
Chairman
July 2022

Strategic report

The directors present their strategic report for the year ended 31 March 2022.

Review of the business

As in previous years, references in this review are to the "Look through results" on pages 64 to 66. The directors are of the view that these figures are more representative of the group's economic activity than the statutory accounts because of the complex joint venture structures used by the group and the sometimes misleading forms of presentation prescribed by current accounting standards.

The group has traded well in the past year despite a difficult market. Turnover, at £274m, was 30% lower than in 2021 (£391m). Note 1 There are a number of reasons for this reduction. Firstly, fewer sites reached the completion stage of construction in the year. Secondly, those sites that did complete were in locations attracting lower values. Thirdly, the group had a lower percentage share in the completing sites that operated through joint ventures. The following table gives a breakdown of sales completions in the year:

GALLIARD GROUP - PRIVATE RESIDENTIAL COMPLETIONS

Development	Location	Units	Sales £'000	Sq ft '000	£per sq ft
Baltimore Wharf	Tower Hamlets E14	4	3,535	3.5	1,005
Brooks Laundry	Bristol BS2	49	22,310	58.2	383
Church Road	Leyton E10	2	1,020	2.1	498
Harbour Central	Tower Hamlets E14	19	19,496	20.3	962
Hope House	Bath NA1	12	12,795	19.2	668
Papermill House	Romford RM1	89	20,570	32.4	635
Pinnacle House	Kings Langley WD4	4	795	1.4	573
Rosebery House	Chelmsford CM2	6	1,277	2.3	567
Southall Honda	Southall UB2	40	16,545	28.6	579
St Edwards Court	Romford RM7	6	1,250	2.5	500
Stadia 3	Wimbledon SW17	99	51,713	72.7	711
Timber Yard	Birmingham B5	253	64,687	151.9	426
Tooting	Tooting Bec SW17	2	6,300	4.5	1,393
Tower Bridge Rd	Southwark SE1	46	37,695	32.5	1,159
Westgate House	Ealing W5	216	78,034	99.5	784
Woodbrook	Lisburn BT28	49	9,195	57.5	160
Total Private Completions	2022	896	347,219	589	590
Total private completions	**2021**	**730**	**371,426**	**482.5**	**770**

GALLIARD GROUP - TOTAL RESIDENTIAL COMPLETIONS

	Private	Housing Association	Total
2022	896	207	1,103
2021	**703**	**68**	**771**

Note 1: Statutory turnover £204m (2021 - £300m)

Construction activity remained at a similar level to 2021. Operating profits, however, fell from £89m in 2021 to £42m in 2022 Note 2 for similar reasons to the drop in turnover. Overall performance reflects the mix of developments both in terms of location and the group's share of the joint venture operating the scheme. Hence, for example, in 2021 the largest number of unit sales was at Harbour Central in London's Docklands where the average sales value was over £1,000 per square foot and the group had a 50% share in the joint venture. In 2022 the corresponding site was Timber Yard in Birmingham where the average sales value was less than £450 per square foot and the group's share was only 37.5%. Fluctuations in profit, year-on-year, have always been a feature of the group's performance simply because of the varied nature of it's development portfolio.

Other KPIs can be found in the 2022 highlights on page 2.

The removal of the last of the COVID restrictions has been of benefit to the economy in general but we have seen some subtle changes in the workings of the housing market over the last few years. The group's traditional business model has been to sell off-plan prior to construction but buyers are becoming increasingly reluctant to commit to a purchase without seeing the finished product. This consumer preference can be accommodated more easily in a housebuilding scenario rather than with apartment blocks so, in response to this, the group has started to acquire sites that are more suited to housing developments. In addition, because the construction of houses requires a different skill set from the building of apartment blocks, we have joined forces with specialist housebuilder Wavensmere Homes on two initial housing developments at our Barrelmans Point and Belgrave Village sites.

In common with the wider economy, there has been recent upward pressure on prices. Restrictions in the pool of available labour since Brexit have had a similar inflationary effect on wage costs. Despite this, construction profitability has held up well although future pressure on margins is expected.

Results for the year reflect two exceptional items (see note 11 to the accounts on page 51). The first is a termination payment to the outgoing CEO and the second is a provision for the potential cost of remediation works that will be required to some past developments as a result of the Grenfell Tower inquiry. These are one-off costs that can be ignored in assessing the ongoing profitability of the business.

Note 2: Statutory operating profit £28m (2021 - £49m)

Barrelmans Point • Shotley Gate Ipswich

Operational locations

Planning UK wide

At 31 March 2022 the group had 13 sites in Greater London that have planning applications either in preparation, in progress or on appeal. These cover a variety of schemes that include a mix of residential and commercial elements.

The group also has an interest in 11 sites outside of its Greater London nucleus that could potentially yield around 5,000 residential units in addition to considerable commercial, retail and leisure facilities.

1 **BEAR LANE**
Southwark SE1
ACQUISITION DATE: MARCH 19
Office development and conversion of railway arches to retail/entertainment. Planning was granted on part of the site for 9 flats and 2,000 sq ft of flexible commercial space. Planning application was submitted at the end of Feb-21 for c. 72,700 sq ft GIA commercial space.

2 **BELSIZE PARK GARDENS**
Camden NW3
ACQUISITION DATE: JANUARY 21
Four-storey private members gym with potential for change of use to a nursery.

3 **CHISWICK ROUNDABOUT**
Hounslow W4
ACQUISITION DATE: JUNE 21
Freehold cleared site. Planning being sought for a new-build scheme of 255 units with office and retail space.

4 **EAGLE WHARF ROAD**
Hackney N1
ACQUISITION DATE: SEPTEMBER 16
Commercial/warehouse buildings ranging from two to three storeys in height. Intention to obtain mixed use planning consent for 50 residential units and 50,264 sq ft commercial space.

5 **KENSAL ROAD**
Kensington & Chelsea W10
ACQUISITION DATE: FEBRUARY 15
A parcel of land on Ladbroke Grove together with a neighbouring public house. Planning for a commercial led, mixed use scheme has been granted but an alternative scheme incorporating a strip of council owned land is being discussed with the local authority.

6 **LEEGATE SHOPPING CENTRE**
Greenwich SE12
ACQUISITION DATE: MARCH 21
Existing shopping centre with potential for up to 500 residential units.

7 **LIMEHOUSE**
Tower Hamlets E14
ACQUISITION DATE: STP*
Permission currently being sought for 115 residential units plus 19,000 sq ft of commercial space.

8 **MILE END ROAD**
Tower Hamlets E3
ACQUISITION DATE: JANUARY 07
Mixed used retail and nightclub site. Next steps are currently being reviewed.

9 **NEW ROAD**
Crouch End N8
ACQUISITION DATE: JANUARY 16
Appeal made to convert commercial unit at completed development into 7 residential units.

10 **NORLINGTON ROAD**
Waltham Forest E10
ACQUISITION DATE: MARCH 18
Planning application in progress for a 44 unit mixed use scheme.

11 **CHINGFORD**
Chingford Mount Rd, E4
ACQUISITION DATE: OCTOBER 21
1.08 acres. Seeking planning for 50 flats in blocks from 2-4 storeys.

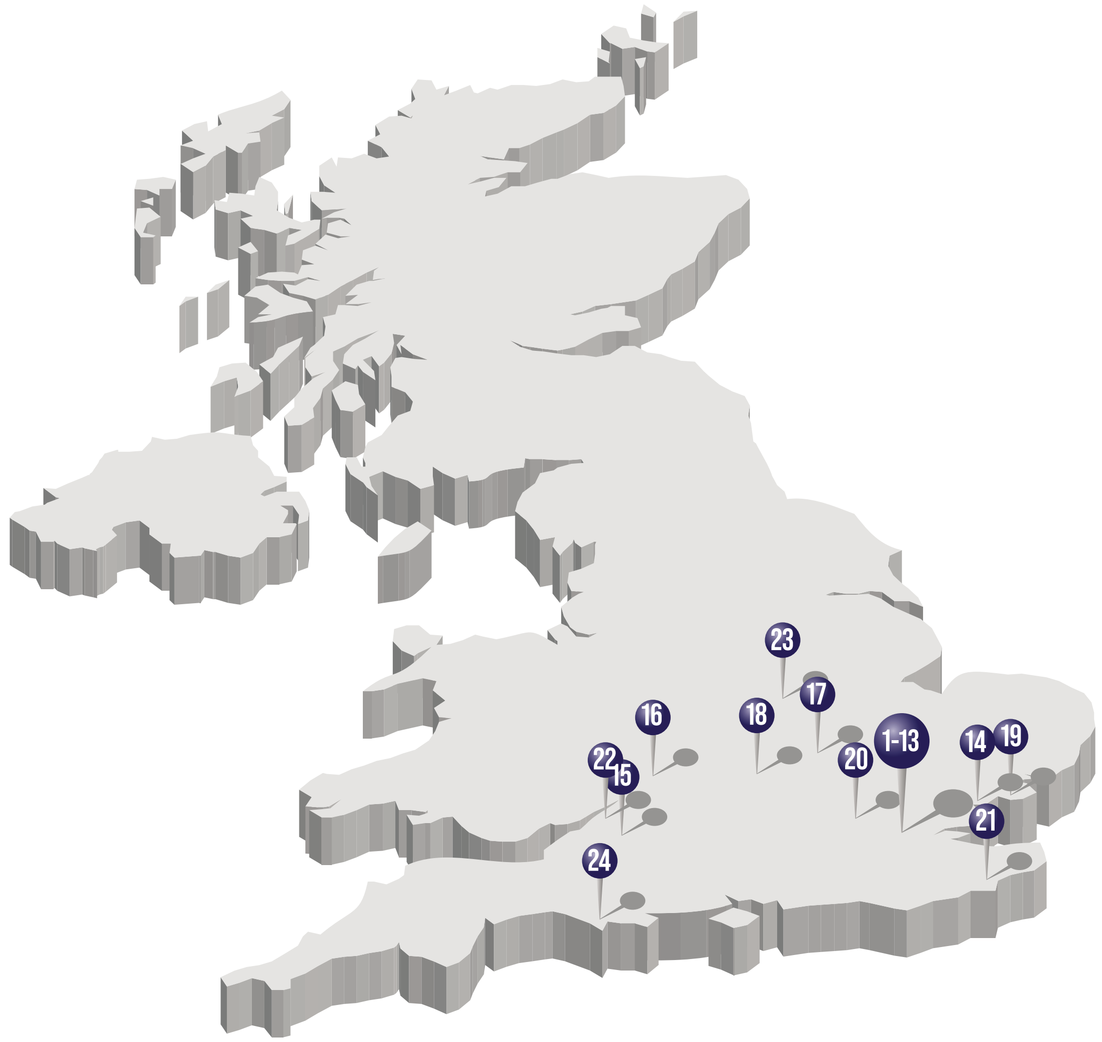
12 **NEOPOST**
Romford, RM1
ACQUISITION DATE: AUGUST 16
Planning application for 82 units in 4 new blocks (5-9 storeys) in the car park.

13 **REDBRIDGE**
Ilford, IG4
ACQUISITION DATE: OCTOBER 21
1.75 acres, vacant hotel and pub. Pre-app for 140 residential units and commercial.

14 **ANDREWS AIRFIELD**
Stebbing CM6
ACQUISITION DATE: OCTOBER 05
The group has an option to purchase 314 acres of agricultural land that could yield c3,000 units.

15 **BROADWALK SHOPPING CENTRE**
Bristol BS4
ACQUISITION DATE: APRIL 21
Existing shopping centre with potential for mixed retail/leisure/office/residential development.

* Subject to planning



16 **HUNTING BUTTS**
Cheltenham GL50
ACQUISITION DATE: JUNE 01
The group has an option to purchase this site that is currently designated as greenbelt but is actively being promoted as suitable for residential development.

17 **NETWORK HOUSE**
Apsley, Hemel Hempstead HP3
ACQUISITION DATE: STP*
Planning being sought for office (floor area 31,000 sq ft), 69 units and 70 unit care facility - prepared for submission Q2 2022.

18 **OXFORD GREYHOUND STADIUM**
Oxford OX4
ACQUISITION DATE: SEPTEMBER 16
This was part of the former Greyhound Racing Association portfolio and we have recently agreed a 10 year lease with a new operator.

19 **ST JOHN'S NURSERY**
Clacton-on-Sea CO16
ACQUISITION DATE: MARCH 07
There is currently an application for 180 units plus 11,500 sq ft of commercial space on this 18 acre former garden centre site.

20 **WOODHALL LANE**
Shenley WD7
ACQUISITION DATE: JANUARY 16
Land adjacent to a site that has been sold is being held pending a council decision to extend the village boundary. Potentially 6-7 houses could be built in the event of a positive decision.

21 **TOKE FARM**
Ashford, TN23
ACQUISITION DATE: MARCH 22
Existing c. 4,000 sq.ft house in c. 2.5 acres. Intention to obtain planning for 18 houses on land to the rear of the existing house.

22 **BARROW RD**
Bristol, BS5
ACQUISITION DATE: MARCH 22
3.2 acre site let to Pure Gym. Initial intention to get planning for over 300 residential units.

23 **THE POINT**
Milton Keynes, MK9
ACQUISITION DATE: SEPTEMBER 21
Vacant 36,500 sq ft cinema, 300 space car park and c. 5,000 sq ft commercial space bought with intention to get planning for over 600 units and commercial.

24 **ICEN WAY**
Dorchester DT1
ACQUISITION DATE: DECEMBER 15
The council would prefer the land was used as commercial - scheme being prepared.

* Subject to planning

Operational locations

Construction UK wide

Construction work has either started or is due to start shortly on over 5,000 residential units across 16 sites in the Greater London area. A significant proportion of these are social/affordable housing units.

Over 1,000 units are currently being constructed outside the group's core Greater London area. These include student accommodation and "Evolve" business units as well as both private and social/affordable residential units.

1 BALTIMORE WHARF
Tower Hamlets E14
ACQUISITION DATE: FEBRUARY 13
44th & 45th Floor completed. Ground floor retail units under construction to change of use to 7 residential units.

2 CATFORD
Catford SE6
ACQUISITION DATE: MARCH 16
Planning granted for 52 residential units. Next steps are currently being reviewed.

3 CANTIUM RETAIL PARK
Southwark SE1
ACQUISITION DATE: MARCH 17
Planning approved for 1,113 units including 418 affordable housing units plus commercial.

4 CREEKSIDE
Lewisham SE8
ACQUISITION DATE: JUNE 17
Freehold site with planning for 393 residential units. S106 agreement being negotiated.

5 HACKNEY WICK
Hackney E9
ACQUISITION DATE: MARCH 14
Planning obtained and S106 agreement signed for 475 units including 241 affordable housing units plus commercial space.

6 HONEY MONSTER
Southall UB2
ACQUISITION DATE: MAY 17
Decontamination and preparatory works complete and S106 signed.

7 YATES
Hounslow TW3
ACQUISITION DATE: JUNE 16
Planning granted for 248 co-living units as well as co-working and retail space.

8 NEPTUNE WHARF
Lewisham SE8
ACQUISITION DATE: DECEMBER 13
Construction works started following completion of land assembly in May 2021 for 199 units

9 NINE ELMS
Wandsworth SW8
ACQUISITION DATE: JUNE 19
Construction continues on a 262 unit scheme including 66 affordable homes. Completion is scheduled for the fourth quarter of 2022.

10 ORCHARD WHARF
Tower Hamlets E14
ACQUISITION DATE: JULY 15
Construction underway on 338 units including 102 social housing units. Completion scheduled for second quarter 2022.

11 PRESTAGE PLACE
Poplar E14
ACQUISITION DATE: STP*
Outline planning consent for 469 residential units. Construction to start first quarter 2023

12 STADIA, WIMBLEDON
Merton SW17
ACQUISITION DATE: FEBRUARY 18
Construction complete for 632 units including 181 social housing units.

13 THE STAGE, SHOREDITCH
Hackney EC2
ACQUISITION DATE: MAY 15
Construction underway on 412 units plus significant commercial and leisure facilities. Completion scheduled for fourth quarter 2022.

14 TOWER BRIDGE ROAD
Southwark SE1
ACQUISITION DATE: MARCH 18
Construction complete of 86 units plus commercial space.

15 TOTTENHAM COURT RD WEST
Westminster W1
ACQUISITION DATE: NOVEMBER 20
Construction work underway on a 92 unit scheme above the new Tottenham Court Road Crossrail station in Oxford Street.

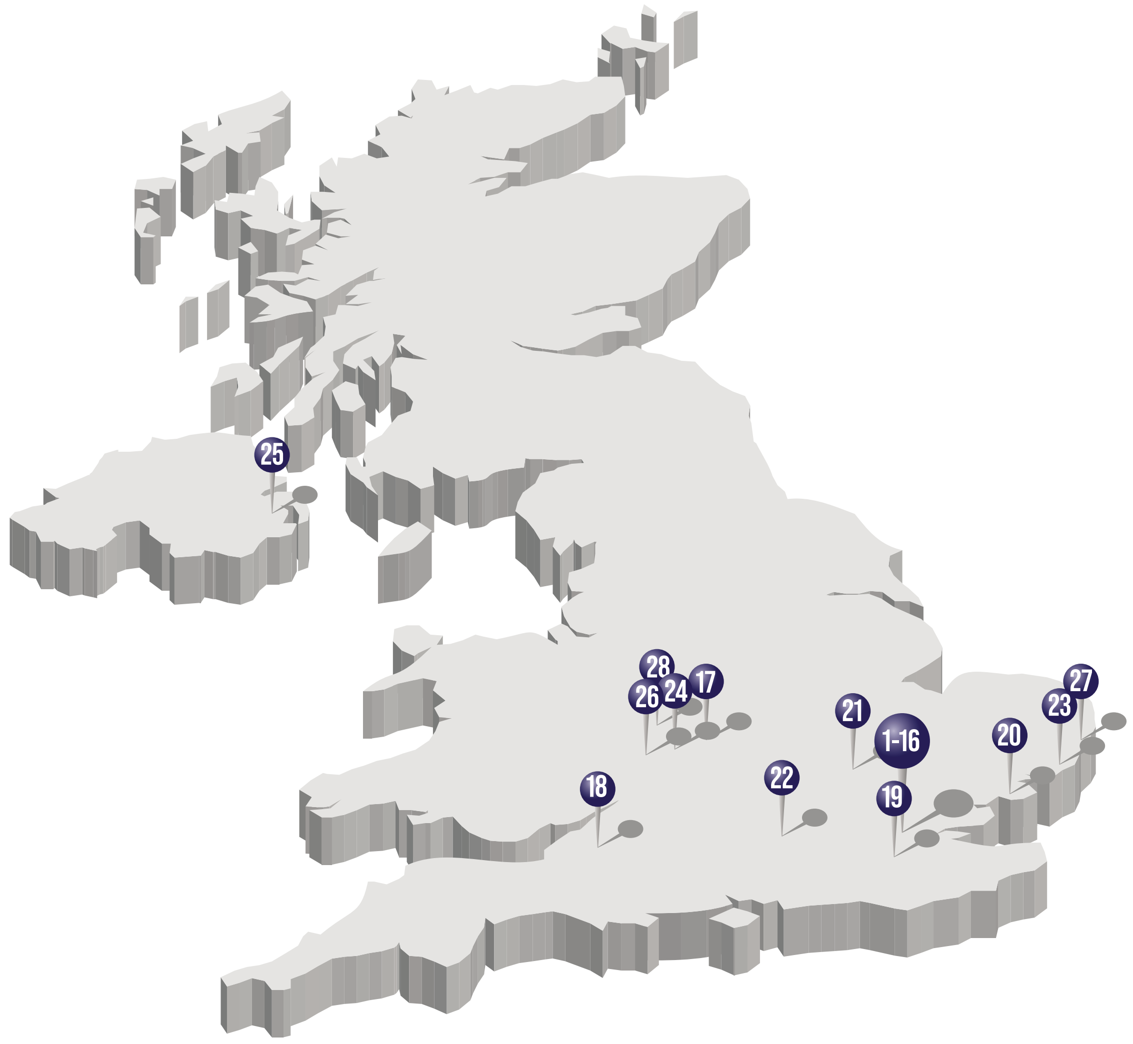
16 WESTGATE HOUSE, HANGAR LANE
Ealing W5
ACQUISITION DATE: AUGUST 16
Construction complete on 378 units including 26 social housing units.

17 AE HARRIS
Birmingham B3
ACQUISITION DATE: DECEMBER 19
Construction work commenced on this scheme for 305 residential units plus retail, workspace and leisure facilities.

18 BROOKS LAUNDRY
Bristol BS2
ACQUISITION DATE: AUGUST 17
Work is ongoing on construction of 105 units including 24 social housing units. Completion is scheduled for the third quarter of 2022.

19 EAST GRINSTEAD HOUSE
East Grinstead RH19
ACQUISITION DATE: JULY 19
Office building where construction work has started on 108 residential units and retained 65,000 sq ft commercial.

* Subject to planning



20 EVOLVE
Colchester CO7
ACQUISITION DATE: AUGUST 18
Construction work has started on Phase 1, 43 "Evolve" business units with completion scheduled for the second quarter of 2022. Phase 2, 47 units to follow.

21 EVOLVE
Milton Keynes MK14
ACQUISITION DATE: FEBRUARY 19
Planning obtained for 85 "Evolve" business units aimed at small established and start-up companies.

22 LOWER SHIPLAKE
Henley on Thames RG9
ACQUISITION DATE: MARCH 21
6.6 acres of land with outline planning for a 65 unit retirement home.

23 SHOTLEY GATE
Ipswich IP9
ACQUISITION DATE: JUNE 02
Construction will commence as soon as pre-commencement covenants have been discharged.

24 SOHO LOOP
Birmingham B18
ACQUISITION DATE: JUNE 17
Construction work underway on this scheme for 650 apartments and 102 houses.

25 WOODBROOK
Lisburn BT28
ACQUISITION DATE: MAY 16
Construction work underway on 321 unit scheme. Work being undertaken under licence by local builders. Long term project anticipated to complete in 2024.

26 MIDDLEWAY
Birmingham, B12
ACQUISITION DATE: OCTOBER 18
Planning approved and construction commenced for a 438 unit scheme comprising 112 townhouses and 326 apartments.

27 GRAFTON
Ipswich, IP1
ACQUISITION DATE: DECEMBER 21
Outline consent for up to 173 units and 3,659 sq ft of commercial use. Construction to commence third quarter 2022.

28 PERSHORE ST
Birmingham, B5
ACQUISITION DATE: OCTOBER 18
Construction completed first quarter 2022.

Principal risks and uncertainties

The board is responsible for ensuring that appropriate risk management systems are in place based upon its assessment of the principal risks and uncertainties faced by the business. These are identified below together with an explanation of their impact on the business and details of how they are being managed:

SECTOR	ISSUE	IMPACT	MITIGATION
Economic Environment	Unemployment, interest rates, exchange rates, inflation and local, microeconomic fluctuations all have an impact on the demand and pricing of new homes as does consumer confidence which is also affected by the same factors.	Revenues, margins and profits are all sensitive to changes in economic conditions as are asset values but the effect is dampened by the continuing housing shortage in the UK.	Comprehensive due diligence prior to each site purchase coupled with continual monitoring of lead indicators to ensure that initial investment decisions are made on the basis of complete and up-to-date knowledge. Critical review of product ranges and marketing strategies to adapt to market changes.
Government Regulations	Changes in government policy with regard to taxation, the environment and housing are all likely to have an effect on the housing market. In particular modifications to planning regulations can have significant repercussions on the availability of suitable sites.	Revenue, margins and asset values could all suffer adverse effects as could labour supply. Planning changes could also have a fundamental impact on business strategy.	Government policy is closely monitored and appropriate adjustments to business strategy and procedures made as a direct response. Training, particularly in technical and planning disciplines, is constantly reviewed to ensure all relevant staff keep abreast of current developments.
Procurement	The availability of skilled subcontractors and quality materials is critical to the timely and cost effective delivery of our completed product. As the level of business activity increases so does this need for an effective procurement capability.	A shortage of either labour or materials would have an adverse effect on both costs and build programmes causing delays in delivery, cost overruns and consequential negative impacts on profits, cash flow and reputation.	Great importance is placed on our subcontractor relationships. Comfortable working conditions, an excellent health and safety record, prompt payment terms and our team ethic all help to attract and retain our chosen tradesmen. We also maintain excellent relationships with our materials suppliers and are constantly sourcing new suppliers worldwide in order to reinforce our supply chain.
Information Technology	Our dependence on a robust IT infrastructure will come as no surprise. In common with most businesses our main systems of communication, reporting, management and control all rely on a secure and reliable data handling environment.	Failure of our IT platform whether as a result of hardware or software malfunction could result in significant damage to both the financial and operational aspects of the business. Also, failure to comply with the new GDPR regulations could result in severe financial penalties.	As far as is possible our networks are protected from outside threats such as cyber-attacks and internal procedures are designed to safeguard the integrity of data held on our systems. Extensive use is also made of off-site data storage facilities. In addition all staff have undergone detailed GDPR training to minimise the risk of compromising any personal data that we hold. Our disaster recovery plan is robust and reviewed at regular intervals to ensure it is fit for purpose and reflects current requirements.
COVID-19	The nationwide lock-down prompted by the rapid spread of the COVID-19 global pandemic has presented a great many challenges to all business in the UK. From cash flow to health & safety, the detailed processes of every aspect of the business have had to be reviewed and adapted to manage the consequences of the outbreak.	The restriction of movement across the world's population has had far-reaching consequences on our workforce, our supply chain and our customer base. Both building works and sales completions have been delayed and economic confidence in general has suffered badly.	Initially, to protect cash flow, advantage was taken of the government's job retention scheme and most employees accepted a temporary pay cut. HMRC also agreed a deferral program for taxes due up to 30 June 2020. To facilitate a return to work, risk assessments have been completed and health & safety recommendations implemented at all of the group's sites and offices.
Retention of Quality Staff	The successful delivery of our business objectives requires a sufficient pool of staff with knowledge, skill, expertise and ability.	High staff turnover and the inability to either attract or retain staff of sufficient calibre would have a severely disruptive impact on the running of the business and therefore on profits, cash flow and reputation.	Talent recruitment and training programmes are constantly monitored and reviewed as are our remuneration packages and staff welfare initiatives to ensure that they reflect the best industry practices.
Health & Safety	Construction sites are inherently hazardous and will always pose the threat of accident or injury to workers and visitors unless properly managed.	It is our responsibility to maintain a safe environment on sites under our control. Failure to do so can lead to serious injury or even death which could have serious implications for our reputation and may lead to litigation that could have significant cost ramifications.	We consider health and safety to be one of our most important responsibilities. We maintain rigorous systems and controls at all our sites and invest considerable resources in our training programmes to ensure that everyone on site is aware of any potential dangers and knows how to minimise any risk.
Liquidity	Continued support from external funders such as banks and other financial institutions is vital if we are to achieve our business objectives.	Withdrawal of facilities would restrict our ability to operate effectively and, in extreme circumstances, could lead to the cessation of trading.	As far as possible all facilities are project specific and ring-fenced to prevent cross-contamination. Banking covenants are closely monitored to minimise the risk of breach. The availability of alternative sources of finance is continually assessed and relationships maintained with a broad range of debt and equity providers.

Our stakeholders

The directors have always paid due regard to the effect of their actions on the various stakeholders who have an interest in the business. Section 172 of the Companies Act now requires us to report each year on the steps taken to fulfil these obligations towards our stakeholders.

There are a great many parties who may be affected by the decisions made in the day-to-day running of the business and, as such, can be considered stakeholders. It is the responsibility of the board of directors to balance these interests in order to deliver the best possible outcome for all concerned.

Shareholders

As we are a private group of companies, all shareholders are involved in the day-to-day running of the business either as directors or as senior management. With regular board and management meetings they are always kept fully informed about all matters relating to the business and their input is part of the decision-making process. Additional management meetings during the COVID crisis were necessary to monitor, plan and react to the fast-changing situation.

Supply chain

We recognise our subcontractors and material suppliers as an integral part of our business. We treat our subcontractors in the same way as our employees in terms of working conditions and inclusivity. All subcontractors must attend site induction programmes and are treated as team members whilst on site. Communication of health and safety measures, particularly at the height of the COVID pandemic has been of the utmost importance. We have a very active buying department that keeps in close contact with our material suppliers because it is of mutual benefit for all parties to be well informed of price movements and supply conditions.

Local communities

It is important to appreciate and respect the views of the communities in which we work. Each has its own issues that have local significance and should not be ignored. All of our sites are part of the "Considerate Constructors" scheme in recognition of the impact a construction site has on its immediate locality. Specific site personnel are responsible for interaction with the local public and wherever possible we engage with and support local charities and causes. As an example we gave the local NHS trust free use of warehouse facilities at one of our sites in Essex during the pandemic.

Employees

Employees are the life blood of the business. Keeping them informed of the progress of the group and ensuring their safety and wellbeing is of paramount importance. We have recently inaugurated an actively engaged employee representative group and we hold regular staff forums. A quarterly newsletter keeps all staff informed of the group's activities and we have a comprehensive mental health programme. Effective staff communication especially throughout the recent lockdowns was essential, particularly for those staff working from home.

Customers

Arguably the most important stakeholder of all is the customer. Without customers we have no business. The quality of both our product and our customer service is therefore critical. During the pandemic we took great care to ensure the safety of our customers during site visits and developed a number of "virtual" tours to assist prospective buyers in viewing our sites from their own home.

JV Partners

Each of our JV partners is an equity investor in a specific project or projects. They receive regular updates on the progress of their projects and many have an active involvement in the detailed project management. Their views are important to the success of the development and so are an integral part of the management process. Key, strategic decisions concerning the developments in which they are interested would not be made without their input.

Funders

The financial institutions that fund our debt requirement each have their own ethical frameworks within which they work. We are therefore required to conform to their standards of management where borrowings are outstanding. All funders receive regular, quarterly management accounts for the group as well as ad hoc financial reports relating to the specific SPV to which they are lending. Funders are also encouraged to visit the development sites they are financing and there is a regular dialogue. During the year our funders supported us with an additional £69m of lending.

Hope House • Bath

Sustainability

Galliard is making significant strides towards becoming a more sustainable business, delivering long-term benefits for the business, its stakeholders and the planet.

Over the last financial year, Galliard has significantly increased efforts to drive the awareness of sustainability throughout the business. This enables us to meet internal targets and objectives as well as our legal obligations. We have seen sustainability become a major consideration that features in all aspects of the business, including management of suppliers, corporate partnerships and investor relations. The need to understand carbon emissions, impacts on biodiversity and now even understanding Whole Life / Embodied Carbon assessments has become paramount with new policy, guidance and legislation at all levels, such as the London Plan 2021, the Environment Act and new BREEAM (Building Research Establishment Environmental Assessment Method) guidelines.

ISO 14001

A key accomplishment for sustainability at Galliard has been the recent full accreditation of ISO 14001.

ISO 14001 is an international UKAS accredited standard for designing, implementing and maintaining an environmental management system (EMS). The EMS allows the company to benchmark current environmental performance (with aspects such as energy use, transport, procurement and use of materials, waste and recycling) and sets out ways to continuously improve using objective, data-driven decision making.

This framework requires Galliard to review its Sustainability Policy, objectives and progress for its property development and investment management approach.

We expect to see several key benefits having now achieved this accreditation. These include cost savings, greater energy efficiency, a clearer understanding of current and future regulations and an improved ability to implement accurate and effective sustainability polices.

Another key aspect of ISO 14001 is the use of data-driven decision-making and goal setting. This is achieved through collecting data on all environmental impacts on the business, tracking these, identifying abnormalities, and then creating policies to improve, based on the data provided.

The accreditation process has provided benefits not only for Galliard, but also our supply chain, partners, investors, customers and wider society.

How we are using ISO 14001 moving forward

The EMS is an integral part of Galliard's approach to sustainability moving forward. Alongside improved transparency, we are also using data collected to begin to establish new benchmarks for current operations, use of raw materials, utilities and waste.

External organisations

In an effort to maintain our sustainability goals, knowledge and innovations in line with the rest of the construction industry, Galliard has prioritised external collaboration and learning through organisations and charities that we believe are invaluable to the industry. This was exemplified recently when we joined the UK Green Building Council (UKGBC). This is a charity with over 600 member organisations spanning the entire built environment sector that provides insight such as research reports, sector analysis and practicality reports of new innovations. We felt that the resources they provide will prove invaluable and we are excited to innovate alongside the industry.

Biodiversity

Improving biodiversity and the local environment is integral to all Galliard developments and each project meets BREEAM guidelines, where required, including the provision of green space and enhancements to local ecology. Galliard welcomes the changes to legislation requiring a 10% biodiversity net gain on all new schemes.

HVO fuel

A major factor in reducing our scope 1 emissions has been the introduction of the use of Hydrotreated Vegetable Oil (HVO) fuels across our onsite construction business. These are being used as a complete substitute for red diesel on site and are projected to reduce greenhouse gases (CO_2e) by 90%, nitrogen oxide (NO_x) by 30% and particulates (PM2.5 & PM10) by over 86%. This is a key component in our efforts to reduce the overall amount of greenhouse gas emissions by the group.

Group management and oversight

At Galliard our aim is to ensure that sustainability is monitored and considered at all levels of the business. Therefore, in addition to the dedicated sustainability team, a sustainability steering group composed of department heads and directors, has been established. Chaired by Galliard Construction Managing Director, Darren Maguire, its function will be to set sustainability targets and programmes to achieve them, to ensure all departments have correct oversight and to ensure both financial viability and stakeholder interest are taken account of throughout the process. It will meet quarterly to review progress and look for innovations that can be implemented across the group.

Implementation challenges

We understand the difficulties of implementing sustainability to its fullest extent across the business. We continuously seek to improve our environmental performance but, in common with the rest of the sector, our concern is the logistics of accessing and maintaining large quantities of environmental data across all areas of our operation. As part of our ISO 14001 accreditation process we have acknowledged this to be an area for improvement and have already made significant strides to address this. This Includes the use of SmartWaste systems to capture onsite waste and business-wide utilities usage. We believe that data is fundamental to our understanding of our carbon emissions and will allow us to make informed decisions moving forward.

Environmental risk exposure

Galliard is aware that, with changes to climate and the natural environment, comes risks that the business may be exposed to. We have identified the following key risks:

- Exposure to climate change
- Reputational impact
- Legal exposure.

To mitigate against these risks, we have been working with stakeholders to implement the following actions:

- Working to minimising our contribution to climate change by first understanding our scope 1 & 2 emissions via data collected through our EMS.
- Ensuring a positive reputational impact by promoting innovation and sustainable developments and ensuring this is communicated to stakeholders.
- Continual monitoring of environmental legislation to ensure we keep abreast of all current obligations.

Governing policies

We have now adopted a number of internal policies to govern our sustainability agenda across the business. These include our ISO 14001 EMS, our group sustainability policy and objectives, and our sustainable procurement policy.

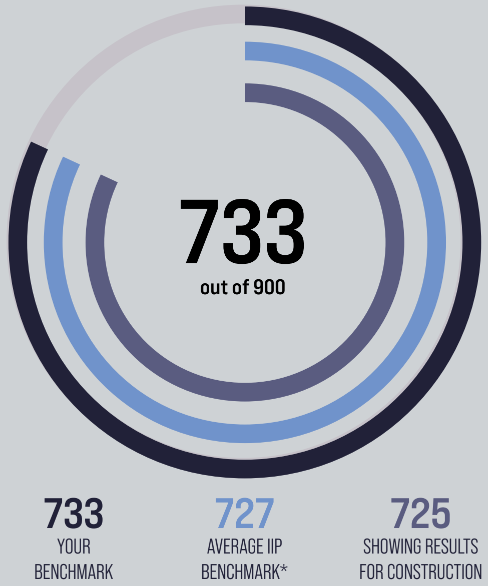
Proposed targets and strategies

To best tackle the future sustainability challenges such as net-zero 2050 and the Future Homes Standard, our sustainability agenda will include the setting of targets to ensure the continued development in our sustainability practices. We hope to see further reductions in our scope 1 and scope 2 emissions from the 2023 financial year onward and are confident in our ability to achieve this now that our ISO 14001 accreditation process has given us the necessary data collection framework on which to base implementation proposals. Other innovations, such as the introduction of HVO fuel use, will undoubtedly contribute to this objective.

People at the heart

In October 2021 we were delighted to receive the Investors In People Silver Award, recognising our commitment to investing in our people. With over 500 employees geographically dispersed we work hard to ensure every employee feels valued, has a voice and is recognised for their contribution. Our Learning Academy, now enhanced by our bespoke Learning Management System, continues to support the development of our people and drive business performance. Delivered virtually and in-person, the Group has continued to prioritise the upskilling of our workforce offering a range of topics such as Equity, Diversity and Inclusion, Managing for High Performance and Coaching and Mentoring. We now offer a truly blended approach to learning including Podcasts, Video content, book recommendations, TED talks and traditional class-room based programmes.

Benchmark



"The organisation has done a huge amount of work in the people arena over the last three years and has achieved a clearly justified Silver award from this assessment. The survey results are strong and come in above the average IIP benchmark for both all types of organisation and those from the construction sector, with a high (74%) response rate making the data reliable."

IIP Assessor, Linda Tuley

* This reveals the average IIP Benchmark for all organisations who have undertaken the survey.

Through the introduction of Galliard Extra, our rewards platform, we have acknowledged the need to offer an individualised approach to benefits, enabling our employees to select those schemes and incentives that are right for them and those they support.

Engagement with our employees remains high on the agenda and employee resource groups targeting Equity, Diversity & Inclusion, Mental Health and Sustainability are well supported and responsible for creating culture change across the Group. Campaigns such as 'You have a home here' and 'Take a minute' provide a safe space and allow people to be their best self at work.

Our Future Talent Schemes, Engage, Evolve and Elevate continue to attract high volumes of applicants and have supported over 200 people across all three programmes, including delivering virtual work experience in February 2021. New starters during the period have exceeded 50 and our approach to Talent Management internally has resulted in 10 promotions, 3 secondments and 5 interdepartmental moves.

Working in partnerships to build lasting legacies

Our goal is to raise awareness of and provide support to a wide range of charitable groups and Community networks. Our employees remain committed to fundraising and volunteering for our Corporate Partners, St Mungo's and Haven House as well as dedicating their time and effort to promoting other causes, both in and out of work; such as SIFA Fireside, Macmillan Cancer, Race for Life, Great Ormand Street, Norwood, Jeans for Genes and many more.

Ladywood project

Ladywood Community Project
Together we make a community

Galliard Homes have been committed to supporting the Ladywood Community Project for over 5 years. Adjacent to our development sites in Ladywood, Birmingham; the project provides support and engagement services to struggling families of the Ladywood, Soho and Jewellery Quarter wards; some of the UK's most diverse and economically deprived areas.

Running for 33 years and awarded charitable status in 2013, the community hub; run predominantly by volunteers and only able to open three days per week due to a severe lack of finances, serves over 400 families every month, of which many are children. The charity provides fuel grants, school uniforms, food parcels, benefits advice and support with skills and employment. Many who live in the ward are experiencing extreme financial hardship and due to language barriers causing system errors, are often denied universal credit increasing debt and rent arrears.

The community project also provides residents with the use of a kitchen in which they can cook, wash and dry their laundry and seek refuge from the cold when they are unable to heat their properties. The kitchen is also a vital hub for creating a sense of community spirit and offers a safe harbour to those suffering from domestic abuse.

On visiting the Ladywood Project it was abundantly clear that kitchen facilities were woefully lacking in terms of usable space, inadequately equipped and with a number of appliances that were no longer in good working order. After speaking with both the Project Coordinator and Children's Worker we were left under no illusions as to how vital a good working kitchen was for those who rely on it to cook for their families, wash their clothes and household items and for many, simply a place to sit where the heating and lighting is paid for.

Galliard undertook to completely refurbish the space and enlisted the support of our sub-contractors and suppliers to provide their time and materials for this worthy cause. We used our own design coordinators and site teams to coordinate the project locally and worked whenever we were able, observing both local and national lockdowns throughout 2020 and operating within the COVID secure guidelines.

We are delighted we've delivered a modern, safe, well-equipped kitchen that will facilitate new activities (Toddler cooking group), whilst also ensuring that the kitchen really does remain at the heart of the community.

Testimonial

Gerardine Giblin,
Centre Manager,
Ladywood Community Centre

The project is situated in Ladywood community centre, in the heart of a social housing estate.

The drop in has been the heart of the project. It gives us an opportunity to hear what families want and need and provides an informal social setting for the community to congregate.

We are open for residents to drop in on Monday afternoons and Tuesdays. Parents and their children can come in for coffee/tea and we usually keep a stock of breakfast items which are all free. We provide a friendly safe area for parents and children to meet and play. We have a garden which provides a lovely area to relax in. Parents can access advice and help, make friends, find out what is going on in the community and take part in activities. We have a washing machine, dryer and a cooker for people to use. All facilities are free and well used by all the community.

We listen to parents and try to pick up on the things that they struggle with

The heart of all homes is the kitchen, and ours is no exception. It is not just used by people who drop in. It is used by our play and stay group to make healthy snacks for the children and sometimes play dough!

We had started a project before lockdown to celebrate the diversity of the parents. Parents cooked a dish from their own culture , children made flags from that country and the whole group learned what ingredients were used and techniques. There were lively discussions on food and how it was used to celebrate festive occasions.

The kitchen is also used when we have community lunches. We are very fortunate to have some great cooks attending our project and so enjoyed Caribbean, Somalian, Serbian and Spanish cuisine.

Of course our washing machine and dryer is in constant use. Many people especially find it hard to spin and dry clothes as they do not have gardens and this is especially true in the winter.

Our old kitchen was in a state of disrepair. Doors and drawer fronts were missing and the surfaces were old and stained. To have a modern, beautiful kitchen will be an inspiration. We will be able to encourage cooking skills even amongst the children . The people who use our project deserve to have a lovely place to come into. They are having such a tough time it feels great that we can give them somewhere to enjoy.

Galliard Homes have been so generous to us. They have really listened to our needs and given both staff and residents a boost. We are very lucky to have their time and generosity.

Supporting our armed forces

Galliard Homes is an inclusive place to work and we greatly value the skills and experiences that veterans and service leavers bring to our workplace.

Many of our ex-forces personal are known only to HR, at their request, however we ensure that they are supported in transitioning into a new career and are afforded the same opportunities as any other employee. Training and development is tailored to the individual and their role to ensure that they are adequately prepared to deliver their best. We are also supportive of any emotional needs, offering EAPs, counselling, mentoring and access to Mental Health First Aiders. All our vacancies are advertised through the CTP and Family Forces websites as we firmly believe that we can educate someone about our sector but we can't always develop the personal attributes and qualities that ex-service personnel have in abundance.

We value the contribution that reservists make both to our organisation and the forces with which they serve. We have in place a policy which affords any reservist employee an additional 5 days paid leave and supports their needs at the point of mobilisation and demobilisation. Our support for the Armed Forces is demonstrated not only on Forces Day but all year round on our internal intranet, through our many communications channels and on our social media platforms.

As an employer with robust Future Talent Programmes we are keen to harness the enthusiasm and dedication demonstrated by those who either belong to or actively support the Cadet Forces. Our Cadet Forces Policy supports those with commitments outside of work, accepting that additional time away from the office may be required, allows for application for bursaries to support ongoing or planned activities up to a maximum of £300 p/a and logs hours of volunteering under our community engagements initiatives.

Employer Recognition Scheme

Silver Award 2021
Proudly serving those who serve.

Women into construction

We continue to support and sponsor Women into Construction and our partnership has gone from strength to strength. We are passionate about highlighting the opportunities the Construction sector has to offer to females of all ages and backgrounds and are committed to changing the outdated perception that our sector has by promoting the different skills and knowledge required to build an exciting and challenging career within homebuilding

Working with WiC representatives in both London and the Midlands, we have supported a number of programmes and initiatives to improve the awareness of and accessibility to our industry. These include funding Construction skills courses, providing paid work experience, recruiting apprentices, supporting CV and interview workshops and sponsoring events.

Investing in our environment

Greenhouse gas and emissions reporting

The information below is provided in response to the government's policy on Streamlined Energy and Carbon Reporting. The Galliard group falls within the scope of the legislation but, as an unquoted company, has taken advantage of the reduced reporting framework.

Galliard is a complex group combining a wide range of corporate entities in a variety of different ways according to their ownership structure and degree of control. Only those entities that are accounted for on an equity basis and that fall within the scope of the legislation in their own right have been included in the analysis below.

Reasonable estimates have been used where it has not been practicable to obtain more accurate data.

Emissions have continued to decrease year-on-year which again reflects the impact of COVID-19 on working practices. The now more common practice of working from home has again reduced the group's expenditure on travel costs and the head count remains at a level that maintains a reduced energy consumption at the group's Head Office. Fewer sites actively under construction has also contributed to the overall decrease. The group continues to adopt more energy-efficient working practices in order to reduce its carbon footprint.

	2022 KgCO$_2$e	2021 KgCO$_2$e
Scope 1 – Direct: Gas	812,704	1,276,944
Scope 1 – Direct: Diesel	547,361	712,060
Scope 1 – Direct: Other fuels	52,772	52,672
SCOPE 1 – DIRECT: TOTAL	**1,412,837**	**2,041,676**
Scope 2 - Indirect: Electricity	685,072	1,378,516
SCOPE 2 – INDIRECT: TOTAL	**685,072**	**1,378,516**
TOTAL (Scope 1 and 2) gross emissions	**2,097,909**	**3,420,192**
Turnover (£m)	204	300
Turnover ratio (Gross KgCO$_2$e per £m)	10,284	11,401
Total energy consumed (kWh)	**9,460,249**	**15,016,149**

Approved by the board and signed on its behalf

Stephen Conway
Chairman
29 July 2022

Board of directors

STEPHEN CONWAY
Executive Chairman

Co-founder of the group in 1992. A banker by training, Stephen moved his focus to property in the 1980s running his own successful company that was eventually acquired by Frogmore Estates plc, for whom he then worked until he teamed up with John Black in the early '90s to form Galliard Homes.

DAVID CONWAY
Executive Director

David has worked at Galliard since it commenced trading. He leads our overseas sales and marketing division and has been organising our regular Far East sales events for the past two decades. Here he has launched over 100 developments to the market and sold well in excess of 5,000 apartments.

GARY CONWAY
Executive Director

Gary has been working within the property sector and beyond for over twenty five years. A graduate in law from Leeds University in the mid-1990s he worked initially in marketing and site acquisition for the group. During this time he also co-founded and ran a very successful and market leading insurance services company. This valuable experience in cost-per-response and direct marketing, coupled with his diverse property experience, made Gary the ideal choice to head up the marketing team for the Galliard group.

RICHARD CONWAY
Executive Director

Richard spent a number of years working in the London estate agency market before joining Galliard in the mid-1990s working in a team taking projects from acquisition all the way through to market. His all-round market and development knowledge has cemented his place as an invaluable member of the acquisitions team and a valued contributor towards many of the other disciplines within Galliard's ambit. Richard's understanding of property investment, trading and the management of real estate portfolios has also been recognised in his appointment as a director of Life At Ltd, the group's residential management agency.

PAUL HUBERMAN
Executive Director

With over 30 years' experience in the property and finance sector. Paul was previously finance director at quoted property companies Grantchester Holdings plc and Asda Property Holdings plc and managed pubs group Regent Inns plc. Paul has extensive experience as a non-executive director in the real estate sector, including Town Centre Securities plc, a leading quoted UK property investment and development company, The Industrial Dwellings Society (1885) Ltd, a housing association, and at a privately-owned property group. Paul was a non-executive director at GRIT Real Estate Income Group Ltd, a UK quoted property investment company operating in carefully selected African countries and JCRA Group Ltd, the independent advisers on interest rate risk management, debt finance and foreign exchange exposure. Paul is also a director of Life At Ltd, the group's residential management agency and a non-executive director at GetBusy plc, a developer of document management and productivity software products.

PAUL WHITE MBE
Non-executive director

A fellow of the Royal Institution of Chartered Surveyors and a member of the Investment Property Forum, Paul brings 51 years of UK real estate experience to Galliard. Paul joined UK real estate fund managers, Frogmore, in 1995 as managing director, and currently serves as executive chairman of the company. Over the past 21 years, Paul has been responsible for setting Frogmore's vision and successfully delivered its sustained performance. He spearheaded the raise of close to £1 billion in equity capital globally across three closed-end funds, and has been involved in the origination, underwriting and financing of over £7 billion in transactions at Frogmore. Paul is a strong supporter of the Willow Foundation, a charity for seriously ill young adults, and in 2016, he was awarded the MBE for his services to charity and, in particular, the Willow Foundation.

LUKE JOHNSON
Independent non-executive director

A leading figure in private equity and the restaurant industry, Luke is the pioneer behind several instantly recognisable high-street brands including PizzaExpress, The Ivy, and Strada. During his time as the chairman of Channel 4 Television (2004 – 2010) the organisation enjoyed record ratings and revenues. Luke is the chairman of Risk Capital Partners, a private equity firm he cofounded in 2001, as well as chairman and part owner of Gail's Bakeries and Neilson Active Holidays. He also serves on the board of Brompton Bicycles and is chairman of the Gaucho restaurant business as well as being the chairman of the Institute of Cancer Research and the Almeida Theatre.

JOSEPHINE (JO) ALLEN
Non-executive director

J.C. Brand, known more familiarly as Jo Allen, is Chief Executive at Frogmore Real Estate Partners. She is a Chartered Surveyor with 32 years of UK real estate experience. Jo started her career with Richard Ellis (now CBRE) in their London office where she worked until joining Frogmore Estates plc, one of her clients at the time, in 1994. Whilst at Richard Ellis, Jo specialised in asset management; landlord and tenant matters; negotiating rent reviews and lease renewals, before moving to the industrial and office leasing teams. Jo is a member of The Royal Institution of Charterered Surveyors. She is a key supporter and sits on the Fundraising Committee of Land-Aid, a charity that harnesses the property industry's expertise to support projects working to end youth homelessness in the UK.

Directors' report

The directors present their report and the audited financial statements of the group and company for the year ended 31 March 2022.

Future developments

A review of future developments is contained in the Chairman's statement on page 6.

Dividends

The directors do not recommend payment of a dividend on the company's ordinary shares (2021: £nil).

Donations

Donations to charities during the year amounted to £308,000 (2021: £108,000). The group made no political donations during the year (2021: £nil).

Subsequent events

There were no material events subsequent to the reporting date that have a bearing on the understanding of the financial statements for the year to 31 March 2022.

Employees

It is the policy of the group to provide employment on an equal basis irrespective of gender, sexual orientation, marital or civil partner status, gender reassignment, race, colour, nationality, ethnic or national origin, religion or belief, disability or age. In particular the group gives full consideration to applications for employment from disabled persons. Where existing employees become disabled, it is the group's policy wherever practicable to provide continuing employment and to provide training and career development and promotion to disabled employees.

Details of the group's interaction with its employees can be found in the strategic report on page 8.

Stakeholder engagement

Details of the group's engagement with its other stakeholders can be found in the strategic report on page 8.

Directors' confirmations

So far as each of the directors is aware, there is no relevant audit information (that is, information needed by the group's auditor in connection with preparing its report) of which the group's auditor is not aware.

Each director has taken all reasonable steps that they ought to have taken in accordance with their duty as a director to make themselves aware of any relevant audit information and to ensure that the group's auditor is aware of that information.

Auditor re-engagement

During the year BDO LLP resigned as auditors of the company and Xeinadin Audit Limited were appointed as their successors. In accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Directors' statement of responsibilities

The directors are responsible for preparing 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 group and company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the profit or loss of the group for that period.

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

- select suitable accounting policies and then apply the consistently;
- make judgements and accounting 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;
- 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.

Approved by the board and signed on its behalf

Stephen Conway
Chairman
29 July 2022

Timber Yard • Birmingham

Report of the independent auditor

Independent auditor's report to the members of Galliard Group Limited

Opinion

In our opinion :

We have audited the financial statements of Galliard Group Limited ("the Parent Company") and its subsidiaries ("the Group") for the year ended 31 March 2022, which comprise the Consolidated income statement, the Consolidated statement of comprehensive income, the Consolidated and company balance sheets, the Consolidated and company statement of changes in equity, the Consolidated statement of cash flows 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).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 March 2022 and of the Group's 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.

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 Group and the Parent 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.

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 Directors' report for the financial year for which the financial statements are prepared are consistent with the financial statements; and
- the Strategic report and Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Group 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 where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company 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 Directors' statement of responsibilities, 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 Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Parent 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.

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 and to obtain sufficient audit evidence to support this. We also evaluate and respond to the risk of material misstatements. The specific procedures for this engagement performed by the engagement team are detailed below:

- Gaining an extensive knowledge of the group and its external environment, as well as the regulatory structures and laws and regulations it must operate within;
- Obtaining a sufficient understanding of the internal control systems and environment by interviews with appropriate personnel, including systems in place for the detection and prevention of fraud.
- Evaluating said systems to see whether they are operating to an appropriate level.
- Understanding the group's current performance, assets, liabilities in addition to future plans.
- Discussions with management and the Board as to any known or suspected instances of non-compliance with laws and regulations as well as fraud and any actual or potential claims.
- In relation to the risk of management override of internal controls, we identified and tested journal entries to evaluate the risk of material misstatement.
- Challenging and recalculating significant estimates, judgements and assumptions made in accounting policies.
- Review of significant and unusual transactions.
- Reading and reviewing minutes of management and Board meetings and therefore gaining an understanding of decisions made.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located at 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 Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Nicholas Hume

Nicholas Hume
Senior Statutory Auditor

For and on behalf of

Xeinadin Audit Ltd,
Statutory Auditor
Becket House
36 Old Jewry
London EC2R 8DD

Date 29 July 2022

Consolidated income statement

for the year ended 31 March 2022

	Note	2022 £'000	2022 £'000	*Restated 2021 £'000	*Restated 2021 £'000
Turnover	3		203,776		299,628
Cost of sales			(179,164)		(241,590)
Gross profit			24,612		58,038
Overheads			(21,183)		(16,710)
Other operating income	6		35,980		20,628
Other operating expenses	7		(22,313)		(5,282)
Profit from the disposal of assets			9,196		28
Gains/(losses) from fair value changes in investment properties	14		1,996		(7,707)
Group operating profit			28,288		48,995
Share of profit/(loss) in:					
- joint ventures	15	3,865		30,330	
- associates	15	(2,460)		(1,476)	
			1,405		28,854
Interest receivable and similar income	9		3,599		4,581
Interest payable and similar charges	10		(13,529)		(16,028)
Profit on ordinary activities before taxation and exceptional charges			19,763		66,402
Exceptional costs	11		(15,169)		-
Profit on ordinary activities before taxation			4,594		66,402
Tax on profit on ordinary activities	12		(134)		(12,833)
Profit for the financial year			4,460		53,569

All amounts relate to continuing operations.

The notes on pages 41-63 form part of these financial statements.

* Prior year balances have been restated to reflect certain companies owned by the Group as subsidiaries consolidated line by line rather than as equity accounted joint ventures.

Consolidated statement of comprehensive income

for the year ended 31 March 2022

	Note	2022 £'000	*Restated 2021 £'000
Profit/(loss) for the financial year		4,460	53,569
Revaluation surplus/(deficit) of owner occupied properties	14	348	(1,393)
Deferred tax in respect of items of other comprehensive loss		(87)	265
Other comprehensive income/(loss) for the year		261	(1,128)
Total comprehensive income for the year		4,721	52,441
Profit for the financial year is attributable to:			
Owners of the parent company		5,266	50,397
Non-controlling interest		(806)	3,172
		4,460	53,569
Total comprehensive income is attributable to:			
Owners of the parent company		5,527	49,269
Non-controlling interest		(806)	3,172
		4,721	52,441

The notes on pages 41-63 form part of these financial statements.

* Prior year balances have been restated to reflect certain companies owned by the Group as subsidiaries consolidated line by line rather than as equity accounted joint ventures.

Consolidated balance sheet

as at 31 March 2022

	Note	2022 £'000	2022 £'000	*Restated 2021 £'000	*Restated 2021 £'000
Fixed assets					
Intangible assets – negative goodwill	13		(3,141)		(4,503)
Intangible assets – positive goodwill	13		2,657		2,813
Tangible fixed assets	14		25,265		22,075
Investments	15		116,158		145,893
Current assets					
Investments	16	261		272	
Stocks	17	406,363		318,554	
Debtors - due in less than one year	18	93,805		132,861	
- due in more than one year	19	-		6,000	
Cash at bank and in hand		40,129		61,259	
		540,558		518,946	
Creditors: amounts falling due within one year	20	(227,803)		(256,649)	
Net current assets			312,755		262,297
Total assets less current liabilities			453,694		428,575
Creditors due in more than one year	21		(120,261)		(95,434)
Provisions for liabilities	23		(13,850)		(14,619)
Net assets			319,583		318,522
Capital and reserves					
Called up share capital	25		3		4
Fair value reserve			6,352		5,191
Revaluation reserve			1,107		966
Share premium account			77,755		77,755
Profit and loss account			220,773		222,765
Equity attributable to owners of the parent company			305,990		306,681
Non-controlling interest			13,593		11,841
Shareholders' funds			319,583		318,522

The financial statements were approved by the Board and authorised for issue on 29 July 2022.

S S Conway
Director

The notes on pages 41-63 form part of these financial statements.

* Prior year balances have been restated to reflect certain companies owned by the Group as subsidiaries consolidated line by line rather than as equity accounted joint ventures. Prior year reserve balances have also been restated to present the reserve related to fair value changes in investment property separate from the reserve related to the revaluation of owner-occupied property.

Company balance sheet

as at 31 March 2022

	Note	2022 £'000	2022 £'000	2021 £'000	2021 £'000
Fixed assets					
Investments	15		113,345		113,345
Current assets					
Debtors - due in less than one year	18	248,027		236,757	
Cash at bank and in hand		-		101	
		248,027		236,858	
Creditors: amounts falling due within one year	20	(45,150)		(43,000)	
Net current assets			202,877		193,858
Total assets less current liabilities			316,222		307,203
Net assets			316,222		307,203
Capital and reserves					
Called up share capital	25		3		4
Share premium account			77,755		77,755
Merger reserve			851		1,164
Profit and loss account			237,613		228,280
Shareholders' funds			316,222		307,203

As permitted by the Companies Act, the profit and loss account of the parent company is not presented as part of these accounts. The parent company's profit after taxation for the year amounted to £15,451,000 (2021 - £15,377,000).

The financial statements were approved by the Board and authorised for issue on 29 July 2022.

S S Conway
Director

Company Registration No: 07947946

The notes on pages 41-63 form part of these financial statements.

Consolidated statement of changes in equity

as at 31 March 2022

	Share capital £'000	Fair value reserve £'000	Revaluation reserve £'000	Share premium account £'000	Profit and loss account £'000	Equity attributable to the owners of the parent company £'000	Non-controlling interest £'000	Total £'000
Balance as at 1 April 2021 as previously reported	4	-	6,157	77,755	224,213	308,129	6,748	314,877
Impact of change in accounting policy (see note 1.1)	-	-	-	-	(1,448)	(1,448)	5,093	3,645
Impact of change in presentation (see note 1.2)	-	5,191	(5,191)	-	-	-	-	-
Balance as at 1 April 2021 *Restated	4	5,191	966	77,755	222,765	306,681	11,841	318,522
Profit for the financial year	-	-	-	-	5,266	5,266	(806)	4,460
Revaluation surplus of owner occupied properties	-	-	348	-	-	348	-	348
Deferred tax in respect of items of other comprehensive income	-	-	(87)	-	-	(87)	-	(87)
Other comprehensive income for the year	-	-	261	-	-	261	-	261
Total comprehensive income for the year	-	-	261	-	5,266	5,527	(806)	4,721
Transfer to fair value reserve	-	1,041	-	-	(1,041)	-	-	-
Transfer from owner-occupied to investment property	-	120	(120)	-	-	-	-	-
Shares issued during the year	-	-	-	-	-	-	9,563	9,563
Shares repurchased during the year	(1)	-	-	-	(6,431)	(6,432)	-	(6,432)
Share capital repaid	-	-	-	-	-	-	(1,518)	(1,518)
Dividends paid	-	-	-	-	-	-	(1,547)	(1,547)
Total contributions by and distributions to owners	(1)	1,161	(120)	-	(7,472)	(6,432)	6,498	66
Acquisition of subsidiaries	-	-	-	-	-	-	(5,283)	(5,283)
Disposal of subsidiaries	-	-	-	-	-	-	1,710	1,710
Purchase of non-controlling interests	-	-	-	-	214	214	(367)	(153)
Other reserve movements	-	-	-	-	214	214	(3,940)	(3,726)
Balance at 31 March 2022	3	6,352	1,107	77,755	220,773	305,990	13,593	319,583
Balance as at 1 April 2020 as previously reported	4	-	13,862	77,755	200,202	291,823	9,181	301,004
Impact of change in accounting policy (see note 1.1)	-	-	-	-	826	826	419	1,245
Impact of change in presentation (see note 1.2)	-	11,705	(11,705)	-	-	-	-	-
Balance as at 1 April 2020 *Restated	4	11,705	2,157	77,755	201,028	292,649	9,600	302,249
Profit for the financial year	-	-	-	-	50,397	50,397	3,172	53,569
Revaluation deficit of owner occupied properties	-	-	(1,393)	-	-	(1,393)	-	(1,393)
Deferred tax in respect of items of other comprehensive loss	-	-	265	-	-	265	-	265
Other comprehensive loss for the year	-	-	(1,128)	-	-	(1,128)	-	(1,128)
Total comprehensive income for the year	-	-	(1,128)	-	50,397	49,269	3,172	52,441
Transfer to fair value reserve	-	(6,577)	-	-	6,577	-	-	-
Transfer from owner-occupied to investment property	-	63	(63)	-	-	-	-	-
Shares issued during the year	-	-	-	-	-	-	-	-
Shares repurchased during the year	-	-	-	-	(35,000)	(35,000)	-	(35,000)
Dividends paid	-	-	-	-	-	-	(2,033)	(2,033)
Total contributions by and distributions to owners	-	(6,514)	(63)	-	(28,423)	(35,000)	(2,033)	(37,033)
Acquisition of non-controlling interest	-	-	-	-	(237)	(237)	237	-
Transfer from joint venture to subsidiary	-	-	-	-	-	-	865	865
Other reserve movements	-	-	-	-	(237)	(237)	1,102	865
Balance at 31 March 2021 *Restated	4	5,191	966	77,755	222,765	306,681	11,841	318,522

* Prior year balances have been restated to reflect certain companies owned by the Group as subsidiaries consolidated line by line rather than as equity accounted joint ventures.

Company statement of changes in equity

as at 31 March 2022

	Share capital £'000	Share premium account £'000	Merger reserve £'000	Profit and loss account £'000	Total £'000
Balance at 1 April 2021	4	77,755	1,164	228,280	307,203
Comprehensive income for the financial year	-	-	-	15,451	15,451
Total comprehensive income for the year	-	-	-	15,451	15,451
Contributions by and distributions to owners					
Shares issued during the year	-	-	-	-	-
Shares repurchased during the year	(1)	-	-	(6,431)	(6,432)
Merger reserve release	-	-	(313)	(313)	-
Dividends paid	-	-	-	-	-
Total contributions by and distributions to owners	(1)	-	(313)	(6,118)	(6,432)
Balance at 31 March 2022	3	77,755	851	237,613	316,222
Balance as at 1 April 2020	4	77,755	1,288	247,779	326,826
Total comprehensive income for the year	-	-	-	15,377	(15,377
Contributions by and distributions to owners					
Shares issued during the year	-	-	-	-	-
Shares repurchased during the year	-	-	-	(35,000)	(35,000)
Merger reserve release	-	-	(124)	124	-
Total contributions by and Balance as at 1 April 2020	-	-	(124)	(34,876)	(35,000)
Balance at 31 March 2021	4	77,755	1,164	228,280	307,203

The notes on pages 41-63 form part of these financial statements.

Consolidated statement of cash flows

as at 31 March 2022

	Note	2022 £'000	*Restated 2021 £'000
Cash flows from operating activities			
Profit/(loss) for the financial year		4,460	53,569
Adjustments for:			
Depreciation, impairment and amortisation of fixed assets and goodwill		(6)	78
Share of (profit)/loss for the year of equity accounted investments	15	(1,405)	(28,854)
Net fair value losses recognised in profit or loss		(1,996)	7,707
Net interest payable		9,930	11,447
Taxation charge	12	134	12,833
Decrease/(increase) in trade and other debtors		37,174	(7,003)
Increase in stocks		(33,711)	(19,380)
(Decrease)/increase in trade and other creditors		(26,067)	15,181
Increase/(decrease) in provisions		2,434	(1,131)
Profit on disposal		(9,196)	(28)
Cash from operations		(18,249)	44,419
Interest paid		(8,609)	(7,789)
Taxation paid		(4,868)	(6,843)
Net cash (used in)/generated from operating activities		(31,726)	29,787
Cash flows from investing activities			
Proceeds from the sale of business assets		7,514	38
Purchases of tangible fixed assets		(1,342)	(604)
Interest received		1,263	2,692
Distributions received on fixed asset investments		17,112	19,028
Purchase of subsidiary undertakings		(31,736)	(955)
Net cash acquired with subsidiary undertaking		641	1,749
Capital repayments from fixed and current investments		8,975	8,520
Investment in fixed asset investments		(11,578)	(14,684)
Purchase of fixed asset investments		(1,170)	-
Proceeds from the sale of fixed asset investments		16,832	-
Investment in other loans		(7,960)	(8,171)
Repayment of other loans		18,247	5,444
Net cash generated from investing activities		16,798	13,057
Cash flows from financing activities			
Repurchase of own shares		(6,432)	(35,000)
Equity dividends paid to non-controlling interests		(1,547)	(2,033)
Issue of shares to non-controlling interests		8,046	-
Bank and other loans drawn		41,822	63,676
Bank and other loans repaid		(40,169)	(63,875)
Net funds (to)/from joint developers		(7,922)	2,064
Net cash used in financing activities		(6,202)	(35,168)
Net (decrease)/increase in cash and cash equivalents		(21,130)	7,676
Cash and cash equivalents at the beginning of the year		61,259	53,583
Cash and cash equivalents at the end of the year		40,129	61,259
Cash and cash equivalents comprise:			
Cash at bank and in hand		40,129	61,259
		40,129	61,259

The notes on pages 41-63 form part of these financial statements.

* Prior year balances have been restated to reflect certain companies owned by the Group as subsidiaries consolidated line by line rather than as equity accounted joint ventures.

Notes forming part of the financial statements

as at 31 March 2022

1 Accounting policies

Galliard Group Limited is a private company limited by shares incorporated in England & Wales under the Companies Act. The address of the registered office is given on page 68 and the nature of the group's operations is set out in the strategic report. The financial statements have been prepared in accordance with FRS 102, the Financial reporting Standard applicable in the United Kingdom and the Republic of Ireland, and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investment properties, owner occupied properties held as fixed assets, and the modification to a fair value basis of certain financial obligations as specified in the accounting policies below.

The financial statements are presented in sterling (£), which is the functional currency of the group. Monetary amounts in these financial statements are rounded to the nearest thousand.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires group management to exercise judgement in applying the group's accounting policies. Judgements and estimates made by directors can be found in Note 2.

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- Only one reconciliation of the number of shares outstanding at the beginning and end of the period has been presented as the reconciliations for the group and parent company would be identical;
- No cash flow statement has been presented for the parent company;
- Disclosures in respect of the parent company's financial instruments have not been presented as the equivalent disclosure has been provided in respect of the group as a whole; and
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the group as a whole.

The following principal accounting policies have been applied:

Going concern

The financial statements have been prepared on the basis that the company and group continues to be a going concern.

The group's continued operation is dependent upon the availability of external finance. At 31 March 2022 the group had external debt with a value of £47,282,000 payable within twelve months. Since the year-end £288,000 of the total debt above has been repaid either partially or in full out of post year-end sales proceeds. The remaining £46,994,000 is expected to be repaid from sales proceeds received in the next 12 months or the negotiation of new lending facilities. Of the remaining debt, £10,267,000 is currently on a rolling credit facility until the related property is sold. The group has developments with a gross development value of £29,394,000 which are expected to complete in the next 12 months. Since the year-end a further £14,185,000 of loans have become due for repayment within 12 months of the date of signing the accounts.

The group participates in a number of joint ventures and associates, which, at 31 March 2022 had external debt with a gross value of £539,506,000, of which £521,937,000 is payable within twelve months. Since the year-end £84,438,000 of the gross debt within the group's joint ventures and associates has been repaid either partially or in full out of post year-end sales proceeds. The remaining £437,499,000 is expected to be paid from sales proceeds in the next 12 months or the negotiation of new lending facilities. The bank loan facility for one of the joint ventures in which the group has invested that is due for repayment in the next 12 months is being negotiated with a new lender at the time of signing the accounts. If, for some reason, a new facility cannot be negotiated, the group's guarantee at £11,850,000 (included in note 31) may be called upon. The same joint venture entity was also in default of long stop completion dates for certain residential units that were previously reserved by customers. If members are called upon to fund the repayment of deposits to any buyers party to those forward purchase agreements currently in default, the maximum amount of additional funding required by the group will be £3,051,000. The group's joint ventures and associates have developments with a gross development value of £469,826,000 which are expected to complete in the next 12 months.

In determining the appropriate basis of preparation of the financial statements, the directors are required to consider whether the group can continue in operational existence for the foreseeable future. The COVID-19 pandemic has had only a marginal impact on the group's trading and is no longer considered a significant factor in assessing the future viability of the business. Current economic factors such as inflation and increases in interest rates, whilst unusual in the context of recent experience, are not considered sufficiently excessive to warrant undue concern, although the situation will be closely monitored and corrective action to mitigate against potential adverse consequences will be taken if deemed appropriate. For these reasons the directors are confident in the ability of the group to trade as a going concern for the foreseeable future.

The Company's financial statements have been prepared on a going concern basis. The preferences shares will not be recalled for a period of twelve months unless the group is in a position to repay them and such repayment would not impact on the group's liquidity.

Notes forming part of the financial statements

as at 31 March 2022

1 Accounting policies (continued)

Basis of consolidation

The group financial statements consolidate the financial statements of Galliard Group Limited and all its subsidiary undertakings drawn up to 31 March each year. No profit and loss account is presented for the parent company as permitted by section 408 of the Companies Act 2006.

Subsidiaries are consolidated from the date of their acquisition, being the date on which the group obtains control and continue to be consolidated until the date that such control ceases. Control comprises the power to govern the financial and operating policies of the investee so as to obtain benefit from its activities. In subsidiary undertakings where non-equity parties are entitled to a share of profit on a development, their share of profit or loss is treated as a future transfer of resources and fair valued, using management forecasts and appropriate internal rate of return percentages.

Joint ventures and associates

An entity is treated as a joint venture where the group holds a long-term interest and shares joint control under a contractual arrangement. An entity is treated as an associate where the group has significant influence whereby it has the power to participate in operating and financial policy decisions.

In the consolidated accounts, interests in joint ventures and associated undertakings are accounted for using the equity method of accounting. An equity investment is initially recognised at the transaction price and is subsequently adjusted to reflect share of profit or loss, other comprehensive income and equity. The consolidated statement of comprehensive income includes the group's share of the operating results, interest, pre-tax results and attributable taxation of such undertakings applying accounting policies consistent with those of the group. In the consolidated balance sheet, the interests in joint ventures and associates are shown as the group's share of net assets, including any unamortised premium paid on acquisition.

Interests in joint arrangements, where there are jointly controlled operations or jointly controlled assets, are accounted for by taking account of either the share of assets and liabilities or, in the case of a jointly controlled operation, by the recognition of the assets controlled and liabilities incurred.

Investments in joint developments where the property is held on trust by a nominee company are accounted for as joint controlled operations, accordingly the company accounts for its own assets, liabilities and cash flows measured according to the terms of the agreement governing the arrangement.

Any premium on acquisition is dealt with under the goodwill policy.

Turnover

Turnover comprises amounts receivable from the sales of developed units and contract work undertaken on developments from which the company derives a profit participation.

Turnover is recognised as the fair value of consideration received or receivable on transfer of the significant risks and rewards of ownership to the buyer. This is usually at the point of legal completion of developed units. Turnover is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

For construction contracts, where the outcome of a contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the reporting end date. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

The stage of completion is calculated by comparing costs incurred mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs.

When it is probable that total contract costs will exceed total contract turnover, the expected loss is recognised as an expense immediately.

Where the outcome of a contract cannot be estimated reliably, costs are recognised as expenses in the period in which they are incurred and contract revenue is recognised to the extent of contract costs incurred where it is probable that they will be recoverable.

1 Accounting policies (continued)

Goodwill

Goodwill arising on the acquisition of subsidiary, joint venture and associated undertakings is the difference between the fair value of the consideration paid and the fair value of the assets and liabilities acquired.

Positive goodwill is capitalised and amortised through the profit and loss account over the directors' estimate of its useful economic life. Negative goodwill up to the fair value of non-monetary assets acquired is recognised in the profit and loss account in the periods in which the non-monetary assets are recovered whether through depreciation or sale. Any negative goodwill in excess of the fair values of the non-monetary assets acquired is recognised in the profit and loss account in the periods expected to benefit.

Investment properties

In accordance with FRS 102 investment properties are carried at fair value. No depreciation is provided. Changes in fair value are initially recognised in the profit and loss account, and thereafter transferred to a non-distributable fair value reserve, except in those instances where there is a permanent diminution in value, in which case recognition remains within profit and loss.

Relevant portions of mixed use properties are separately classified between investment properties and owner occupied properties within tangible fixed assets. The apportionment of mixed use properties has been based on an assessment of current market value of the relevant properties as assessed by the directors.

Tangible fixed assets

Tangible fixed assets, other than owner-occupied property, are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred if the replacement part is expected to provide incremental future benefits to the group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation of fixed assets

Depreciation is provided on the cost of tangible fixed assets in equal annual instalments over the estimated useful lives of the assets. Depreciation rates are as follows:

Fixtures and equipment - 2 to 5 years per annum straight line.
Motor vehicles - 4 years per annum straight line.

Depreciation has not been provided on freehold or owner occupied land and buildings as it is considered to be immaterial.

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Owner-occupied property

Owner-occupied property is measured using the revaluation model. If its carrying amount is increased as a result of a revaluation, the increase is recognised in other comprehensive income and accumulated in a revaluation reserve. However, the increase is recognised in profit or loss to the extent that it reverses a revaluation decrease previously recognised in profit or loss. Any decrease in carrying amount as a result of a revaluation is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in the revaluation reserve.

If a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity, the excess is recognised in profit or loss.

Investments

Investments held as fixed assets by the company are stated at cost less any provision for impairment. The investments are assessed for impairment at each reporting date and any impairment losses or reversal of impairment losses are recognised immediately in profit or loss.

Investments in subsidiaries are measured at cost less any provision for impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any consideration paid.

Other current asset investments are stated at the lower of cost and estimated net realisable value.

Capital interests in joint ventures represent amounts loaned to joint ventures together with amounts appropriated in respect of profits and losses on developments.

Notes forming part of the financial statements

as at 31 March 2022

1 Accounting policies (continued)

Stocks

Stocks represent property acquired for development together with work in progress on those properties. These assets are included at the lower of cost and net realisable value. Cost for this purpose comprises the purchase cost of land and buildings and development expenditure.

At each reporting date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

Profit on sales of developed properties is taken on receipt of sales proceeds at legal completion. Costs attributable to each sale comprise an appropriate proportion of the total costs of the development.

Financial assets, liabilities, instruments and costs

Financial assets, other than investments and derivatives, are initially measured at transaction price and subsequently held at cost, less any impairment. Short term trade creditors are measured at the transaction price. Other financial liabilities, including loans, are measured at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method. Financial liabilities and equity are classified according to the substance of the instruments' contractual obligation, rather than its legal form.

Finance costs are charged to profit or loss over the term of the debt using the effective interest rate method so that the amount charged is at a constant rate on the carrying amount.

Operating leases - lessee

The group leases premises under operating leases from non-related parties. Operating lease rentals are charged to the profit and loss account in equal annual amounts over the lease term. The benefits of lease incentives received or given on entering into new leases are spread over the lease term. The lease term is defined as the non-cancellable period for which the lessee has the option to continue to lease the asset, with or without further payment, when at the inception of the lease it is reasonably certain that the lessee will exercise the option.

Operating leases - lessor

Leases of investment properties and development stock where the group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in profit or loss on a straight-line basis over the lease term. Initial direct costs incurred by the group in negotiating and arranging operating leases are recognised as an expense in profit or loss as incurred.

Taxation

The tax expense for the period comprises current and deferred tax.

Current tax

The current tax charge is calculated on the basis of tax rates and laws that have been enacted or substantially enacted by the reporting date.

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except:

- the recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- where timing differences relate to interests in subsidiaries, associates and joint ventures and the group can control their reversal and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences.

1 Accounting policies (continued)

Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest.

Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond control of either party (such as target based on an index) or factors which are within the control of one or other of the parties (such as the Group keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, profit or loss is charged with fair value of goods and services received.

Pension costs

Contributions to the stakeholder scheme are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

Provisions for liabilities

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.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. The unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

The group recognises a provision for annual leave accrued by employees as a result of services rendered in the current period, and which employees are entitled to carry forward and use within the next 12 months. The provision is measured at the salary cost payable for the period of absence.

Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

Reserves

The group and company's reserves are as follows:

- Called up share capital represents the nominal value of the shares issued.
- Share premium account includes the premium on issue of equity shares, net of any issue costs.
- Revaluation reserve represents fair value adjustments relating to investment properties and owner occupied property classified as property, plant and equipment.
- Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.
- Merger reserve represents the premium on acquisition of subsidiary companies using own shares.

as at 31 March 2022

1.1 Change in accounting policy interpretation

The directors have reviewed the definition of control under FRS 102 paragraph 9.5 which states that control is presumed to exist when a parent owns more than half of the voting power of an entity, except in exceptional circumstances where it can be demonstrated that such ownership doesn't consitute control. The directors also reviewed the justification for classification as a joint venture for a number of companies in which the group holds more than half of the voting rights. The directors concluded that the relevant activities in the clauses in the contractual arrangements, which were previously referred to in justifying joint control, could be interpreted as protective in nature rather than substantive. The directors have also concluded that those contractual arrangements do not provide sufficient enough exceptional circumstances to rebut the presumption of control where the group owns more than half of the voting rights. As a result, a number of companies that were previously classified as joint ventures and equity accounted in the consolidated financial statements have been reclassified as subsidiaries and consolidated line by line.

The directors also reviewed the definition of significant influence under FRS 102 paragraph 14.3(a) which states that significant influence is presumed to exist when the parent owns 20% of the voting power but does not control or jointly control the entity. The directors concluded that a number of the entities that were previously classifed as joint ventures have been reclassified as associates and disclosed separately from the jointly controlled entities.

The directors have determined that this change in interpretation of control better reflects the nature of influence in day to day decision making that the group has on its subsidiaries, joint ventures and associates.

The change in accounting policy interpretation has been applied retrospectively as follows:

Impact on equity (increase/(decrease) in equity)

	31 March 2021
	£'000
Intangible assets - positive goodwill	2,813
Tangible fixed assets	1,008
Investments	(14,564)
Stock	45,931
Debtors - due in less than one year	(4,225)
Cash	8,079
Total assets	**39,042**
Creditors: amounts falling due within one year	(4,163)
Creditors due in more than one year	(31,011)
Provisions for liabilities	(223)
Total liabilities	**(35,397)**
Net impact on equity	**3,645**
Non-controlling interest	(5,093)
Net impact on equity attributable to owners of the parent company	**(1,448)**
Net impact on opening equity attributable to owners of the parent company	**826**

The change in accounting policy interpretation was applied to opening balances for the year ending 31 March 2021 but any restatement beyond this is impractical to do so.

Impact on consolidated income statement

	31 March 2021
	£'000
Turnover	5,699
Cost of sales	3,324
Overheads	(66)
Other operating income	3,796
Other operating expenses	(42)
Gains/(losses) from fair value changes in investment properties	1
Share of profit/(loss) in:	
- joint ventures	(9,422)
- associates	1,504
Interest receivable and similar income	(606)
Interest payable and similar charges	(450)
Tax on profit on ordinary activities	(1,170)
Net impact on profit for the year	**2,568**
Attributable to:	
Equity holders of the parent	**(2,275)**
Non-controlling interests	**4,843**
	2,568

1.1 Change in accounting policy interpretation (continued)

Impact on consolidated cash flow statement

	31 March 2021
	£'000
Cash flows from operating activities	
Profit for the financial year	2,568
Adjustments for: -	
Share of profit for the year of equity accounted investments	7,918
Net interest payable	1,056
Taxation charge	1,170
Decrease/(increase) in trade and other debtors	6,465
Increase in stocks	(4,223)
(Decrease)/increase in trade and other creditors	(986)
Cash from operations	**13,968**
Interest paid	(1,356)
Taxation paid	(2,923)
Net cash (used in)/generated from operating activities	**9,689**
Cash flows from investing activities	
Purchase of tangible fixed assets	(1)
Interest received	(606)
Distributions received on fixed asset investments	(3,098)
Purchase of subsidiary undertakings	(936)
Net cash acquired with subsidiary undertaking	1,623
Capital repayments from fixed and current investments	(835)
Investment in fixed asset investments	1,323
Net cash generated from investing activities	**(2,530)**
Cash flows from financing activities	
Equity dividends paid to non-controlling interests	(1,033)
Bank and other loans repaid	(976)
Net funds (to)/from joint developers	(63)
Net cash used in financing activities	**(2,072)**
Net (decrease)/increase in cash and cash equivalents	**5,087**
Cash and cash equivalents at the beginning of the year	2,992
Cash and cash equivalents at the end of the year	**8,079**
Cash and cash equivalents comprise:	
Cash at bank and in hand	8,079
	8,079

Notes forming part of the financial statements

as at 31 March 2022

1.2 Correction of presentation

The consolidated statement of changes in equity has been corrected to present the reserve relating to fair vaue changes in investment property separate from the reserve relating to the revaluation of the owner-occupied portion of property included in property, plant and equipment. Changes in fair value in investment property that have been recognised through the income statement are now transferred to a non-distributable fair value reserve through the consolidated statement of changes in equity.

Impact on equity (increase/(decrease) in equity)	31 March 2021
	£'000
Fair value reserve	5,191
Revaluation reserve	(5,191)
Net impact on equity	-
Non-controlling interest	-
Net impact on equity attributable to owners of the parent company	-
Net impact on opening equity	
Fair value reserve	11,705
Revaluation reserve	(11,705)
Revaluation reserve	-
Net impact on equity	-
Non-controlling interest	-
Net impact on equity attributable to owners of the parent company	-

The change in accounting policy interpretation was applied to opening balances for the year ending 31 March 2021 but any restatement beyond this is impractical to do so.

2 Judgements in applying accounting policies and key sources of estimation uncertainty

The company makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The areas where assumptions and estimates are significant to the financial statements are:

Revenue recognition (note 3)

In order to determine the profit or loss that the group is able to recognise on its construction contracts in a specific period, the group has to allocate total costs of the construction contracts between the proportion completing in the period and the proportion to complete in a future period. The assessment of the total costs to be incurred requires a degree of estimation, as does the assessment of a development's valuation.

Carrying value of inventories (note 17)

In applying the group's accounting policy for the valuation of inventories the directors are required to assess the expected selling price and costs to sell each of the units that constitute the group's work in progress. Cost includes the cost of acquisition of sites, the cost of infrastructure and construction works, and legal and professional fees incurred during development prior to sale. Estimation of the selling price is subject to significant inherent uncertainties, in particular the prediction of future trends in the market value of property.

Whilst the directors exercise due care and attention to make reasonable estimates, taking into account all available information in estimating the future selling price, the estimates will, in all likelihood, differ from the actual selling prices achieved in future periods and these differences may, in certain circumstances, be significant.

Investment properties (note 14)

Investment properties are valued annually at fair value. Fair value is ascertained through review of a number of factors and information flows, including market knowledge, recent market movements, recent sales of similar properties, historical experience, rent levels and flows of cash for the respective investment property. There is an inevitable degree of judgement involved and value can only be reliably tested ultimately in the market itself.

Given the property market knowledge and expertise of the directors and within the group, no third party valuation has been considered necessary.

Investments (note 15)

Investments held as fixed assets by the company are stated at cost less any provision for impairment. Directors have assessed the recoverability of investments made and economic benefit of the investments based on market conditions, economic forecasts and cashflow estimates.

Provisions (note 23)

The group makes assumptions to determine the timing and its best estimate of the quantum of its construction and other liabilities for which provisions are held. Factors used in the assumptions and estimates includes period to completion, costs to completion, and assumptions used in deriving internal rates of return for each construction project. The group also makes assumptions to assess the economic viability of certain contracts held, which includes assumptions on future market conditions and revenue streams. The nature of provisions made as at the year end are analysed and described in note 23.

3 Turnover

All turnover derives from UK operations

	Group 2022 £'000	*Restated Group 2021 £'000
Turnover comprises:		
Amount from contracted construction work	57,816	159,437
Amount from the sale of residential property	145,960	140,191
Total	203,776	299,628

4 Employees

	Group 2022 £'000	*Restated Group 2021 £'000
Staff costs consist of:		
Wages and salaries	38,804	28,045
Social security costs	4,707	3,246
Other pension costs	2,176	1,976
Total	45,687	33,267

	Number	Number
The average number of employees, including directors during the year was:		
Construction	174	194
Sales	91	92
Administration	240	240
Total	505	526

Management considers that the directors represent the key management personnel of the group.

The group operates a stakeholder defined contribution pension scheme for the benefit of the employees and directors. The assets of the scheme are administered by an independent pensions provider. Pension payments recognised as an expense during the year amount to £2,176,000 (2021 Restated * - £1,976,000).

5 Directors' emoluments

	2022 £'000	2021 £'000
Directors' remuneration consists of:		
Remuneration for qualifying services	11,965	3,423
Company pension contributions to defined contribution schemes	145	120
Total	12,110	3,543
Pension contributions accrue in respect of 4 directors.		
Highest paid director:		
Salary and other taxable benefits	9,091	1,601
Company pension contributions to defined contribution schemes	110	88
Total	9,201	1,689

* Prior year balances have been restated to reflect certain companies owned by the Group as subsidiaries consolidated line by line rather than as equity accounted joint ventures.

as at 31 March 2022

6 Other operating income

	Group 2022 £'000	*Restated Group 2021 £'000
Development management fees	6,487	3,924
Rental income	11,197	11,705
Commissions	315	315
Property management services	16,735	1,774
Forfeited deposits	260	196
Investment and other income	986	2,714
Total	35,980	20,628

7 Other operating expenses

	Group 2022 £'000	*Restated Group 2021 £'000
Rental expenses	5,173	4,025
Property management services	15,476	1,091
Impairment of related party and other debtors	1,664	166
Total	22,313	5,282

8 Group operating profit

	Group 2022 £'000	*Restated Group 2021 £'000
This has been arrived at after charging:		
Depreciation - owned assets	471	281
Operating lease expense	1,177	1,965
Principal auditor's remuneration		
Audit (Company £20,500, 2021 - £20,500)	295	425
Taxation compliance and advisory services	153	175
Release of negative goodwill	(1,362)	(253)
Amortisation of positive goodwill	315	-
Impairment of fixed asset investments	559	1,367
Impairment (reversal)/charge of stock	4,442	(9,006)

* Prior year balances have been restated to reflect certain companies owned by the Group as subsidiaries consolidated line by line rather than as equity accounted joint ventures.

9 Interest receivable and similar income

	Group 2022 £'000	*Restated Group 2021 £'000
Bank interest	25	5
Other interest	3,574	4,576
Total	3,599	4,581

10 Interest payable and similar charges

	Group 2022 £'000	*Restated Group 2021 £'000
Bank loans	8,405	7,927
Other loans	1,750	2,226
Amortisation of issue costs	1,435	1,382
Preference dividend	2,150	2,150
(Decrease)/increase in provisions for joint developer obligations	(211)	2,343
Total	13,529	16,028

11 Exceptional costs

Exceptional costs of £15,169,000 comprise settlement payments of £8,335,000 to an outgoing director in the current year and a provision of £6,834,000 for estimated costs of remediation works to meet the Group's commitment to improving building safety standards on its current and historic developments. See note 23 for details. These items are considered to be exceptional due to their size and non-recurring nature.

* Prior year balances have been restated to reflect certain companies owned by the Group as subsidiaries consolidated line by line rather than as equity accounted joint ventures.

Notes forming part of the financial statements

as at 31 March 2022

12 Tax on profit on ordinary activities

	Group 2022 £'000	*Restated Group 2021 £'000
Corporation tax charge for the year	936	9,860
Current tax adjustment in respect of previous years	(804)	2,468
Total current tax charge for the year	132	12,328
Deferred tax charge for the year	(453)	265
Deferred tax adjustment in respect of previous years	455	240
	134	12,833
Tax reconciliation:		
Profit on ordinary activities before taxation	4,594	66,402
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	873	12,616
Effects of:		
Expenses not deductible for tax purposes	1,389	1,995
Adjustments to tax charge in respect of prior years	(349)	2,709
Share of joint venture losses/(profits)	112	(3,095)
Non taxable write back of negative goodwill	(259)	(48)
Different tax rates on deferred tax	10	-
Unrecognised deferred tax	1,240	(1,190)
Recognised deferred tax	-	-
Non taxable income	(1,802)	(171)
Tax on loans to participators	(1,080)	17
Total tax charge for the year	11,663	12,833

The deferred tax charge relating to items recognised in other comprehensive income is £87,000 (2021 - credit of £265,000).

13 Intangible assets

	Group 2022 £'000	*Restated Group 2021 £'000
Negative goodwill		
Cost		
At 1 April	(4,503)	(4,756)
Realised in profit and loss account	1,362	253
At 31 March	(3,141)	(4,503)
Positive goodwill		
Cost		
At 1 April	2,813	-
Acquisition of subsidiary	159	2,813
Amortisation	(315)	-
At 31 March	2,657	2,813

For details of acquisitions in the current and prior year refer to note 27.

The directors do not consider the useful life of the positive goodwill arising on consolidation of Life At Limited to be reliably estimated and as such the positive goodwill is being amortised on a straight line basis over a useful life of 10 years.

* Prior year balances have been restated to reflect certain companies owned by the Group as subsidiaries consolidated line by line rather than as equity accounted joint ventures.

14 Tangible fixed assets

Group	Property £'000	Fixtures and equipment £'000	Motor vehicles £'000	Total £'000
Cost or valuation				
At 1 April 2021 Restated *	21,754	3,035	1,193	25,982
Additions	1,163	115	64	1,342
Revaluation	2,344	-	-	2,344
Disposals	-	(25)	(74)	(99)
At 31 March 2022	**25,261**	**3,125**	**1,183**	**29,569**
Depreciation				
At 1 April 2021 Restated *	573	2,734	600	3,907
Charge for the year	127	97	247	471
Disposals	-	(25)	(49)	(74)
At 31 March 2022	**700**	**2,806**	**798**	**4,304**
Net book value				
At 31 March 2022	**24,561**	**319**	**385**	**25,265**
At 31 March 2021 Restated *	21,181	301	593	22,075

Property	Investment property £'000	Owner occupied property £'000	Long leasehold property £'000	Short leasehold property £'000	Total £'000
Cost or valuation					
At 1 April 2021 Restated *	16,883	3,137	500	1,234	21,754
Additions	984	172	-	7	1,163
Transfer to owner occupied	170	(170)	-	-	-
Revaluation	1,996	348	-	-	2,344
At 31 March 2022	**20,033**	**3,487**	**500**	**1,241**	**25,261**
Depreciation					
At 1 April 2021 Restated *	-	-	-	573	573
Charge for the	-	-	-	127	127
At 31 March 2022	**-**	**-**	**-**	**700**	**700**
Net book value					
At 31 March 2022	**20,033**	**3,487**	**500**	**541**	**24,561**
At 31 March 2021 Restated *	16,883	3,137	500	661	21,181

Valuation

The group's investment properties, including owner-occupied property, were valued by an independent third party as at 31 March 2022. In their opinion, the fair market value was £23,520,000 (2021 Restated * - £20,020,000) as compared to a historical cost of £13,575,000 (2021 - £12,419,000).

* Prior year balances have been restated to reflect certain companies owned by the Group as subsidiaries consolidated line by line rather than as equity accounted joint ventures.

Notes forming part of the financial statements

as at 31 March 2022

15 Investments

Fixed asset investments

Group	Joint ventures £'000	Associated undertakings £'000	Other fixed asset investments £'000	Total £'000
Cost or valuation				
At 1 April 2021 Restated *	94,053	58,406	4,711	157,170
Additions	4,705	6,870	3	11,578
Acquisition of additional interest	1,170	-	-	1,170
Return of investment funding	(7,602)	-	(1,373)	(8,975)
Disposals	-	(21,985)	-	(21,985)
Transfer to subsidiary	(399)	-	-	(399)
Impairments	(559)	-	-	(559)
At 31 March 2022	**91,368**	**43,291**	**3,341**	**138,000**
Share of retained profits				
At 1 April 2021 Restated *	4,536	(15,813)	-	(11,277)
Total comprehensive income for the year	3,865	(2,460)	-	1,405
Amounts distributed	(17,112)	-	-	(17,112)
Disposals	-	5,149	-	5,149
Transfer to subsidiary	(7)	-	-	(7)
At 31 March 2022	**(8,718)**	**(13,124)**	**-**	**(21,842)**
Net book value				
At 31 March 2022	**82,650**	**30,167**	**3,341**	**116,158**
At 31 March 2021 Restated *	98,589	42,593	4,711	145,893

Other investments are not listed and are held at cost less impairment as fair value cannot be reliably determined.

Company	Subsidiary undertakings £'000	Joint ventures £'000	Total £'000
Cost			
At 1 April 2021 and 31 March 2022	**88,978**	**24,367**	**113,345**

A complete list of the company's subsidiary undertakings can be found in note 35 at the end of this report.

The company is also a party to a large number of joint developments where the property is held on trust by a nominee company. These developments are accounted for as jointly controlled operations, accordingly the company accounts for its share of the assets, liabilities and cash flows measured according to the terms of the agreement covering the arrangement.

* Prior year balances have been restated to reflect certain companies owned by the Group as subsidiaries consolidated line by line rather than as equity accounted joint ventures.

16 Current asset investments

	Group £'000	Company £'000
At 1 April 2021	**272**	-
Impairment	(11)	-
At 31 March 2022	**261**	-

17 Stocks

	Group 2022 £'000	*Restated Group 2021 £'000
Development properties held in work in progress	**406,363**	318,554
Total	**406,363**	318,554

Stock recognised in cost of sales during the year as an expense was £98,382,000 (2021 - £189,556,000).

Impairment losses of £4,442,000 (2021 Restated * - reversals of £9,006,000) were recognised in cost of sales against stock during the year due to the impact of reduced demand for commercial space on the net realisable value of certain commercial properties in the group's portfolio.

Total stock held as security against loans was £219,853,000 (2021 Restated * - £214,249,000).

18 Debtors due in less than one year

	Group 2022 £'000	*Restated Group 2021 £'000	Company 2022 £'000	Company 2021 £'000
Trade debtors	**6,819**	13,835	**-**	-
Amounts owed by subsidiaries	**-**	-	**245,427**	231,981
Amounts owed by related companies	**11,111**	34,944	**-**	-
Loans receivable	**15,555**	18,421	**1,315**	1,315
Amounts due in respect of joint developments	**2,575**	3,926	**-**	-
Prepayments and accrued income	**25,207**	25,333	**-**	-
Other debtors	**32,538**	36,402	**1,285**	3,461
Total	**93,805**	132,861	**248,027**	236,757

All amounts shown above fall due for payment within one year.

19 Debtors due in more than one year

	Group 2022 £'000	Group 2021 £'000	Company 2022 £'000	Company 2021 £'000
Loans receivable	**-**	6,000	**-**	-

The group has a number of unsecured fixed rate loans to third parties initially recognised at fair value and subsequently recognised at amortised cost. Interest is charged on the principal of each loan at rates between 6% and 10%.

* Prior year balances have been restated to reflect certain companies owned by the Group as subsidiaries consolidated line by line rather than as equity accounted joint ventures.

as at 31 March 2022

20 Creditors: amounts falling due within one year

	Group 2022 £'000	*Restated Group 2021 £'000	Company 2022 £'000	Company 2021 £'000
Loans and overdrafts	**47,282**	55,803	**-**	-
Trade creditors	**20,171**	21,600	**-**	
Amounts owed to related companies	**28,594**	22,949	**-**	-
Amounts due in respect of joint developments	**39,855**	34,530	**-**	-
Corporation tax	**269**	5,330	**-**	-
Other tax and social security	**2,548**	2,791	**-**	-
Other creditors	**25,395**	28,942	**-**	-
Deferred tax (note 24)	**2,270**	2,238	**-**	-
Accruals and deferred income	**18,419**	39,466	**-**	21
Preference shares	**43,000**	43,000	**43,000**	43,000
Total	**227,803**	**256,649**	**43,000**	**43,021**

Loans are secured against the group's interests in development and trading properties. The group has a large number of loans, the terms of which vary. Disclosure of the interest rates would result in disclosure that the directors consider to be of excessive length.

The group has fixed rate loans of £64,000 on which interest is charged at rates between 1.8% and 7.0%. Interest rates paid on all other loans are based on LIBOR, SONIA or the Base Rate plus a margin.

Preference shares

On 2 April 2012, £43,000,000 5% Cumulative Preference Shares were issued to finance part of the acquisition of Galliard Holdings Limited.

The preference shares are redeemable at the option of the registered holder.

Included within notes 20 to 23 are the following amounts for both group and company in respect of nominal value and accrued dividend to 31 March 2022:

	2022 £'000	2021 £'000
Creditors falling due within one year		
Nominal value	**43,000**	43,000
Accrued dividend	**2,150**	-
Total	**45,150**	43,000

21 Creditors: amounts falling due after more than one year

	Group 2022 £'000	*Restated Group 2021 £'000	Company 2022 £'000	Company 2021 £'000
Bank and other loans	**120,261**	95,434	**-**	-
Bank, other loans and preferences shares due:				
in one year or less, or on demand	**90,282**	98,803	**43,000**	43,000
Between one and two years	**60,958**	2,500	**-**	-
Between two and five years	**55,687**	89,091	**-**	-
Over five years	**3,616**	3,843	**-**	-
Total	**120,261**	95,434	**-**	-

Bank loans are shown net of issue costs of £2,570,000 (2021 Restated * - £2,855,000). Issue costs are charged over the terms of the loans at a constant rate on the carrying amount as an approximation of the effective interest rate.

* Prior year balances have been restated to reflect certain companies owned by the Group as subsidiaries consolidated line by line rather than as equity accounted joint ventures.

22 Financial instruments

The group's and company's financial instruments may be analysed as follows:

	Group 2022 £'000	*Restated Group 2021 £'000	Company 2022 £'000	Company 2021 £'000
Financial assets				
Financial assets measured at amortised cost	**127,855**	183,531	**248,027**	236,858
Financial liabilities				
Financial liabilities measured at amortised cost	**335,173**	317,156	**43,000**	43,000

Financial assets measured at amortised cost comprise cash, trade debtors, other debtors, accrued income, amounts owed by joint ventures and associated undertakings.

Financial liabilities measured at amortised cost comprise convertible preference shares, bank loans and overdrafts, trade creditors, other creditors, accruals and amounts owed to related companies and subsidiary undertakings.

Information regarding the group's exposure to and management of credit risk, liquidity risk and market risk is included in the strategic report.

23 Provisions for liabilities

	Group 2022 £'000	*Restated Group 2021 £'000
Provisions for liabilities and charges comprises:		
Provisions for joint developer obligations	**3,366**	8,719
Remediation works	**6,834**	-
Other provisions	**3,650**	5,900
	13,850	14,619
Movement in provisions:		
At 1 April	**14,619**	16,035
Provisions created	**9,486**	4,123
Provisions utilised	**(9,642)**	(2,628)
Provisions released	**(613)**	(2,911)
At 31 March	13,850	**14,619**

Provisions for joint developer obligations primarily comprise a best estimate of contractual commitments to distribute profits to joint developers post completion. The obligations are expected to be incurred in the ordinary course of business based on historic experience but are uncertain in respect of timing and quantum.

Provisions for remediation works comprise estimated costs for the group to meet the Group's commitment to improving building safety standards on its current and historic developments. The provision at 31 March 2022 reflects management's best estimate of the cost of completing works to ensure fire safety on the remaining affected buildings under the Group's direct ownership and on those under third party ownership which the Group has developed. These estimates may change over time as further information is assessed, remedial works progress and the interpretation of fire safety regulation further evolves. This is a highly complex area with judgements and estimates in respect of the costs of the remedial works and the scope of the properties requiring remedial works changing as regulation continues to evolve. The remediation work is expected to be completed in the next 12 months and so no discounting has been applied to the provision.

Other provisions include onerous leases on group properties, legal costs relating to the disposal of an interest in an overseas venture and accrued preference dividends which shall not be paid until such time as the Directors determine. Payments relating to the surrender of lease continue until December 2022. The timings of settlement of the legal costs and preference dividends provided are uncertain.

* Prior year balances have been restated to reflect certain companies owned by the Group as subsidiaries consolidated line by line rather than as equity accounted joint ventures.

24 Deferred taxation

The deferred tax liability is as follows:

	Group 2022 £'000	Group 2021 £'000
Business combinations	(1,176)	(452)
Property revaluations	1,391	612
Unrealised intra-group profits	2,198	1,897
Other timing differences	(143)	181
	2,270	2,238

25 Called up share capital

	2022 £'000	2021 £'000
Authorised		
34,539,649 ordinary shares of £0.0001 each (2021 - 40,879,167)	3	4
	3	4
Called up, allotted and fully paid		
34,539,649 ordinary shares of £0.0001 each	3	4
	3	4

On 24 May 2021 the Company repurchased 616,435 of its own ordinary shares of £0.0001 each from an exiting shareholder. The purchase was made from the Company's distributable reserves.

All shares rank pari passu in all respects.

26 Share based payments

The following share options have been granted under an incentive plan for the benefit of certain employees of the Group. Options granted vest equally over three years following the date of the grant and may be exercised up to 10 years after the date of grant, subject to certain objective performance criteria as determined by the Directors and subject to the approval of an offer for sale of the subsidiary undertaking in which the share option plan operates. Options expire when employees leave the employment of the Group.

	Weighted average exercise price (pence) 2022	Number 2022	Weighted average exercise price (pence) *Restated 2021	Number *Restated 2021
Outstanding at beginning of the year	326	36,497	326	94,186
Expired during the year	-	-	371	(10,157)
Surrendered during the year	-	-	279	(47,532)
Outstanding at the end of the year	326	36,497	326	36,497

There is no charge to the consolidated statement of comprehensive income in respect of the issued share options in either 2022 or 2021.

27 Acquisitions

Acquisition of Life At Limited

On 1 March 2021 the group acquired an additional 6.25% of the Ordinary Shares in Life At Limited for £932,000 in cash. Acquisition costs were £5,000. Up until that date the group's 50% interest in Life At Limited had been accounted for as a joint venture. The book value of the joint venture interest on 1 March 2021 was £2,987,000. The net book value of the assets and liablities in Life At Limited on 1 March 2021 were £1,973,589. The goodwill arising on acquisition was £2,813,000.

Revenue and profit and loss from Life At Limited in the consolidated income statement in the reporting period ending 31 March 2021 since the acquisition date was not material.

On 11 August 2021 the group acquired an additional 7.75% of the Ordinary Shares in Life At Limited for £310,000 in cash. Acquisitions costs were £2,000. There was no material change in the net book value of the assets and liabilities in Life At Ltd between 1 March 2021 and 11 August 2021. The goodwill arising on acquisition of the additional interest was £159,000.

In calculating the goodwill arising on the purchase of the additional interests, the fair value of net assets were assessed. No adjustments from book value were necessary in either transaction.

* Prior year balances have been restated to reflect certain companies owned by the Group as subsidiaries consolidated line by line rather than as equity accounted joint ventures.

28 Contingent liabilities

	Group 2022 £'000	Group 2021 £'000
Planning overage	5,129	4,838

The group is party to an overage deed in respect of a planning application on a development site. The total planning overage payment due is dependent upon several variables including whether planning consent is obtained, when planning consent is obtained and on the size of the development area permitted under the planning consent being more or less favourable than currently expected. The directors have assumed that it is probable that planning consent will be granted but that the timing and amount of the planning overage payment is uncertain. The overage deed required a minimum planning overage payment of £4,000,000, which was made on 31 March 2020. The directors' current estimate of the total planning overage due is £9,129,000 (2021 - £8,838,000).

Building safety rectifications

Subject to the terms of any formal agreement, the directors are considering whether the company should participate in the voluntary self-remediation scheme which the Department for Levelling Up, Housing and Communities (DLUHC) is presently negotiating with developers for dealing with fire safety and other risks to such buildings.

In the event that the company enters into an agreement with the DLUHC regarding fire safety risk remediation there may be a resulting liability to the group in relation to the group's present and past developments. At this point in time, however, the directors cannot reliably estimate the amount of that liability in excess of the existing provision (see note 23) with sufficient certainty to allow such amounts or range of amounts to be meaningful. The parameters in which works have to be undertaken, assessments to be commissioned to evaluate the works involved and estimates as to the associated costs are yet to be established and agreed.

The settlement of any amount relating to the liability, which is contingent upon the company entering into a formal agreement with the DLUHC, will likely be over a number of years but the timing of the settlement cannot be reliably estimated.

Whilst the outcome of the formal agreement following on from the Pledge (see note 34) cannot be predicted with certainty, the directors believe based upon the information available at this time that appropriate accruals and provisions have been recognised at the year end.

The group/company had no other contingent liabilities at the balance sheet date.

29 Lease obligations

As lessee

The group's minimum operating lease payments are as follows:

	Group 2022 £'000	*Restated Group 2021 £'000
Operating leases which expire:		
Not later than 1 year	688	786
Later than 1 year and not later than 5 years	561	1,102
Later than 5 years	267	350
Total	1,516	2,238

The company had no commitments under non-cancellable operating leases as at the balance sheet date.

As lessor

The group leases out certain properties under non-cancellable operating leases for the following future minimum lease payments. There are no contingent rents.

	Group 2022 £'000	*Restated Group 2021 £'000
Not later than 1 year	7,301	7,678
Later than 1 year and not later than 5 years	20,027	21,998
Later than 5 years	940,995	827,251
Total	968,323	856,927

The company had no amounts receivable under non-cancellable operating leases as at the balance sheet date.

* Prior year balances have been restated to reflect certain companies owned by the Group as subsidiaries consolidated line by line rather than as equity accounted joint ventures.

30 Capital commitments

There were no capital commitments at the year-end (2021 - £nil).

31 Guarantees

The group and the company have given guarantees of varying levels to several of the bankers in their joint venture companies. The total of these guarantees was as follows:

	Group 2022 £'000	Group 2021 £'000	Company 2022 £'000	Company 2021 £'000
	62,265	59,120	**57,865**	59,120

The group's guarantees are stated net of counter guarantees provided by certain joint venture partners of £87,777,000 (2021 - £101,470,000). Company - £83,377,000 (2021 - £101,470,000).

32 Related party transactions

The group had outstanding balances during the year with the following companies that are controlled by Mr S S Conway. The balances do not carry interest, nor are there any formal terms of repayment.

	2022 £'000	2021 £'000
Details of the outstanding balances due to/(from) the group are:		
Lancelot Management Limited	**191**	191
Real Estate Investment & Trading Limited	**1,562**	1,412
Hanson Street Properties Limited	**232**	230
Handspan Limited	**3,708**	5,382
Galliard Trading Limited	**697**	401
	6,390	7,616

The group had outstanding balances at the balance sheet date with Reflex Bridging Limited, a company controlled by Mr S S Conway, comprising loans from the group of £546,000 (2021 - £1,711,000) which do not carry interest and loans to the group of £16,254,000 (2021 - £10,735,000) bearing interest at rates between 6.5% and 12%.

Amounts due in respect of properties owned by Mr S S Conway totalling £211,000 (2021 - £207,000).

The group had an outstanding balance owing to Flat 111 Harley House Developments Limited, a company controlled by Mrs H R Conway, of £8,000 (2021 - £8,000), an outstanding balance owing from Pointstart Limited, a company controlled by Mr D E Conway, of £5,000 (2021 - £28,000) and an outstanding balance owing from Homeprize Limited, a company over which Mr R M Conway and Mr G A Conway have joint control, of £58,000 (2021 - £58,000). The balances do not carry carry interest nor are there any formal terms of repayment.

The group had balances outstanding at the balance sheet date with Plotplan Limited, a company controlled by Mr R M Conway and Mr D E Conway, including a loan provided by Plotplan Limited to the group of £5,188,000 (2021 - £4,830,000) to assist with working capital in respect of a development site. Interest is charged on the loan at 8% and the loan is repayable on demand. An additional balance of £758,000 (2021 - £1,843,000) is outstanding and owing to Plotplan Limited which does not carry carry interest and for which there are no formal terms of repayment.

The group has loans and accrued interest owing to Vinepost Limited, a company of which Mr R M Conway, Mr D E Conway and Mr G A Conway are directors, totalling £4,499,000 (2021 - £4,435,000). Interest was charged during the year on loan principals totalling £2,800,000 (2021 - £2,800,000) at a rate of 10% (2021 - 10%).

The following loan balances were due (to)/from directors of the group as at 31 March 2022:

* Prior year balances have been restated to reflect certain companies owned by the Group as subsidiaries consolidated line by line rather than as equity accounted joint ventures.

32 Related party transactions (continued)

	At 1 April 2021 £'000	Advanced in year 2022 £'000	Repaid in year 2022 £'000	At 31 March 2022 £'000	Highest sum outstanding during year £'000
Mr S S Conway	(2,301)	-	1,983	(318)	(2,301)
Mr D O'Sullivan	3,517	-	(2,242)	1,275	3,517
Mr D E Conway	201	64	-	265	265
Mr G A Conway	10	12	-	22	22
Mr R M Conway	21	-	(19)	2	21
Mr J M Morgan	40	1	-	41	41

Interest was charged on loans to Directors at rates between 0.0% and 4.0%. With the exception of the loan to D O'Sullivan, the loans to directors were unsecured.
The loan to D O'Sullivan was secured against shares held by him in the Company.
During the year the company paid £nil (2021 - £nil) in dividends to directors who are also shareholders.
During the year the directors claimed a total of £12,359 (2021 - £2,063) in company related expenses.
No amounts are paid to any director other than those disclosed elsewhere in the report.

Key management personnel

All directors and certain senior employees who have authority and responsibility for planning, directing and controlling the activities of the Group are considered to be key management personnel. Total remuneration is respect of these individuals is £12,110,000 (2021 - £3,543,000).

Joint venture and associated companies

The following transactions took place between the group and its joint venture and associated companies during the year:

	Group 2022 £'000	*Restated Group 2021 £'000
Net sales of goods and services	60,084	149,797
	60,084	**149,797**

A total amount of £99,088,000 (2021 Restated * - £124,074,000) was due from joint ventures and associated undertakings. The amounts are included in the consolidated

33 Ultimate controlling party

In the opinion of the directors the ultimate controlling party is Stephen Conway who holds more than half of the voting rights of the company.

34 Events after the reporting period

In April 2022 Galliard Homes signed up to the Government's Building Safety Pledge for Developers. Subject to the terms of any formal agreement, the Group shall look to address life-critical fire-saftety issues on all apartment buildings over 11 meters that have been completed in the last 30 years, self-fund any remediation works required and reimburse any funds disbursed by the Government's Building Safety Fund.

The directors have reviewed building safety standards across the Group's current and historic developments and procured remediation works to address issues identified. The current best estimate of the cost of these remediation works, for which a provision has been made in the financial statements at the balance sheet date, is £6,834,000 (see note 23).

The directors will continue to work with the Department for Levelling Up, Housing and Communities to establish an approach for determining the scope of remediation and/or mitigation works that is proportionate and consistent across the industry. Following on from the Pledge, in the event that the company enters into a formal agreement with the Government to carry out any additional remediation work, a contractual obigation will give rise to a liability in the Group (see note 28). Any such agreement will take into account learning over time, but involve no betterment beyond what is required to remediate and/or mitigate life critical fire-safety issues, on the basis of the agreed principles in the Pledge.

* Prior year balances have been restated to reflect certain companies owned by the Group as subsidiaries consolidated line by line rather than as equity accounted joint ventures.

as at 31 March 2022

35 Subsidiary undertakings, associates and joint ventures

Subsidiary undertakings	% Held	
581 & 581B Kenton Lane Limited	100%	*
Acorn & GH (RF) Limited	67%	*
Acorn (Chillington) Limited	50%	*
Arches Southall (West) Limited	100%	*
Baltimore Wharf SLP	50%	*
Baltimore Wharf Ground Rent Limited	50%	*
Baltimore Wharf (GP) Limited	50%	*
Bear Lane Arches Limited	50%	*
Bestzone Limited	100%	*
Bluecroft Riverdale LLP	100%	*
Bourne Court Properties Limited	100%	*
Brentwood Developments Limited	50%	*
Carlton House Developments Limited	100%	*
Central Living (Exeter) Limited	100%	*
Chiltern Court Properties Limited	100%	*
Choicetime Limited	100%	*
Cygnet Street Developments Limited	100%	*
Dalton Properties Limited	60%	*
Derby Terrace Limited	100%	*
Drayton Park Developments Limited	100%	*
Dunford Court Management Limited	100%	*
Evolve (Colchester) Limited	100%	*
Evolve (Milton Keynes) Limited	100%	*
Erinlink Limited	100%	*
Felcon Blackheath Limited	75%	*
FGA Developments Limited	100%	*
Fieldfind Limited	100%	*
Findmark Limited	67%	*
Freshplant Limited	100%	*
Friars Developments Limited	100%	*
G - Living Limited	100%	*
G.E.P.C. Limited	100%	*
Galliard (Cheltenham) Limited	100%	*
Galliard (Southwark) Limited	100%	*
Galliard (Strand) Limited	100%	*
Galliard Caldecotte Holdco Limited	57%	*
Galliard Caldecotte Limited	57%	*
Galliard Construction Limited	100%	*
Galliard Creative Limited	100%	*
Galliard Homes Limited	100%	*
Galliard Homes (Towchester Road) Limited	100%	*
Galliard Holdings Limited	100%	#
Galliard Hotels Limited	100%	*
Galliard Investments Limited	100%	*
GH/AH Bear Lane Limited	50%	*
GHL (Ashford) Limited	100%	*
GHL (Barrow Road) Limited	51%	*
GHL (Bath) Limited	100%	*
GHL (BPC) Limited	100%	*
GHL (Bedminster Bristol) Limited	50%	*
GHL (Beresford Avenue) Limited	100%	*
GHL (Berkhamsted) Limited	62%	*
GHL (Brook Road) Limited	100%	*
GHL (Bristol) Limited	100%	*
GHL (Chigwell) Limited	100%	*
GHL (CLG) Limited	100%	*
GHL (Hampshire) Limited	100%	*
GHL (Harlow) Limited	100%	*
GHL (Haywards Heath) Limited	100%	*
GHL (Hendon Hall) Limited	100%	*
GHL (Kilmorie) Limited	100%	*
GHL (Leegate) Limited	100%	*
GHL (Lisburn NI) Limited	100%	*
GHL (Mallorca West) Limited	100%	*
GHL (Merrick Road) Limited	100%	*
GHL (Milton Keynes) Limited	80%	*
GHL (Nine Elms) Limited	51%	*
GHL (Nine Elms) Developments Limited	51%	*
GHL (Perranporth) Limited	100%	*
GHL (Southall) Limited	100%	*
GHL (Stanley Place) Limited	50%	*
GHL (Strand) Limited	100%	*
GHL (Sunnyside) Limited	100%	*
GHL (Summerstown) Limited	100%	*
GHL (TCRW) Limited	100%	*
GHL (Trinity Square) Limited	100%	*
GHL (Witham) Developments Ltd	100%	*
GHL (WIE) Limited	100%	*
GHL Chiltern Street Limited	60%	*
GHL Trinity Square LP	100%	*
GHL Trinity Square GP Limited	100%	*
Gladstone Court Developments Limited	100%	*
Gladstone Holdings Limited	100%	*
Goldenmill Limited	65%	*
Goodmayes 40 Limited	100%	*
GSY Operations Limited	100%	*
Haywards Heath Developments Limited	100%	*
Heartpride Limited	33%	*
Heatpoint Limited	50%	*
Honiton Developments Limited	100%	*
Iconshield Limited	100%	*
Isle Of Dogs Developments Limited	100%	*
Isle Of Dogs Developments 2 Limited	100%	*
Jewelside Limited	100%	*
Kelsworth Limited	67%	*
Kewdeal Limited	67%	*
Kilmorie Investments LLP	100%	*
Kilmorie Properties Limited	100%	*
Lastzone Limited	100%	*
Leonardo Investments Limited	100%	*
Life At Limited	64%	*
Life at Parliament View Limited	64%	*
Limetown Limited	49%	*
Lionpride Limited	30%	*
Lionstar Limited	100%	*
Lodgeshine Limited	100%	*
Ludgate Broadway Limited	100%	*
Liftzone Limited	100%	*
Metrosold Limited	100%	*
Millharbour Developments Limited	100%	*
NCQ Developments Limited	100%	*
Neasden Developments Limited	100%	*
Neptune Point Developments Limited	100%	*
Netcircle Limited	100%	*
Netlink Limited	49%	*
Nileford Limited	100%	*
Norlington Road developments limited	100%	*
Northwood Street Limited	50%	*
Northwood Street 2 Limited	50%	*
Orchid Capital (PCC) Limited (Guernsey)	100%	*
Ovingdean Hall College Limited	100%	*
Paddington Street LP	60%	*
Pingrade Limited	50%	*
Plutus (Ipswich) Limited	100%	*
Prestage Developments Limited	100%	*
Property Management Matters Limited	80%	*
Quickdrop Limited	100%	*
Raceguide Limited	100%	*
Red Lion Court Developments Limited	100%	*
Raphael Investments Limited	100%	*
Resi Developments Limited	64%	*
Redbridge Regeneration Limited	100%	*
Ricksave Limited	100%	*
Ridgeton Limited	67%	*
Ripemanor Limited	100%	*
Risedale Properties Limited	50%	*
Roamquest Limited	100%	*
Rosebery House Developments Limited	100%	*
Shanghai LeJia Real Estate Consultant Co., Ltd (China)	100%	*
Shenley Developments Limited	100%	*
Signature Resorts Limited	100%	*
Signature Resorts (UK) Limited	71%	*
Soho Loop Development Limited	50%	*
St Edwards Court (Romford) Limited	100%	*
Stratford High Street Ventures Limited	75%	*
Stratford High Street Limited	75%	*
Swingdeal Limited	100%	*
Tallack Road Developments Limited	100%	*
Thames Farm Developments Limited	100%	*
The Property Club Holdings Limited	100%	#
Thorney Leys Developments Limited	100%	*
Triland (Chiltern Street) Limited	60%	*
Uttoxeter Investments Limited	50%	*
Vinelodge Limited	100%	*
Vitalcharm Limited	100%	*
Wapping Riverside Limited	100%	*
Windora Limited	65%	*
Workout Limited	100%	*
Yasfind Limited	100%	*
Yewacre Limited	100%	*
Zerodown Limited	100%	*

Joint Ventures

Ailsa Wharf Developments Limited	20%	*
Acorn (Trinity Square) Limited	33%	*
Across World UK Limited	50%	*
Anchor Road (Bristol) Limited	50%	*
Brooks Laundry LLP	50%	*
Caxton Works Developments Limited	50%	*
Citiglen Limited	50%	*
Finchley Road (Smiths) Limited	50%	*
GDL Holdco Limited	50%	#
GHL (Aviation House) Limited	33%	*
GHL (Battersea Church Road) Limited	50%	*
GHL (Carlow) Limited	33%	*
GHL (Coolsilk) Limited	49%	*
GHL (Crescent Lane) Limited	50%	*
GHL (Eagle Wharf Rd) Limited	20%	*
GHL (Hackney Wick) Limited	30%	*
GHL (Portobello Road) Limited	50%	*
GHL (Watford) Limited	50%	*
Hold Land London Limited	30%	*
Hope House (Bath) Limited	50%	*
Land & Site Acquisitions Limited	25%	*
Markhome Limited	50%	*
Maxillia Properties Limited	50%	*
GHL (Wickside) Limited	30%	*
Merton Acquisitions Limited	50%	*
New Road (Crouch End) Limited	25%	*
Pentire Pavilions Limited	50%	*
Perranporth Developments Limited	50%	*
Pershore Street Limited	38%	*
Redington Developments (Apsley) Limited	45%	*
Romney House Developments Limited	50%	*
Stamford Hounslow Limited	30%	*
The Cut Developments Limited	50%	*

Associates

Broadside Holdings Limited	20%	*
Chester Real Estate Limited	50%	*
Driftpoint Limited	40%	*
Galliard East Grinstead Limited	35%	*
Galliard Estates Limited	50%	*
Kingsbridge Property Developments Limited	33%	*
One Lusty Glaze Limited	25%	*
The Stage Shoreditch LLP	16%	*
Yolkstone Limited	25%	*

All shares held in associates and joint ventures are ordinary shares, unless otherwise stated

directly held
* indirectly held

35 Subsidiary undertakings, associates and joint ventures (continued)

All subsidiary undertakings, associates and joint ventures are registered at 3rd floor, Sterling House, Langston Road, Loughton, IG10 3TS with the exception of the following:

37-41 Mortimer Street LLP	33 Davies Street, London, W1K 4LR
Acorn (Trinity Square) Limited	1 The Broadway, London, N8 8DU
Across World UK Limited	Circle Line House 8 East Road, Harlow, Essex, CM20 2BJ
Ailsa Wharf Developments Limited	119 High Street, Loughton, Essex IG10 4LT
Broadside Holdings Limited	64 New Cavendish Street, London, England, W1G 8TB
Citiglen Limited	9, H&E House, East Road, Harlow, Essex, CM20 2BJ
Drayton Park Developments Limited	11-15 Wigmore Street, London, WIA 2JZ
GHL (Eagle Wharf Rd) Limited	28 Manchester Street, London, W1U 7LF
Hold Land London Limited	1345 High Road, London N20 9HR
Hope House (Bath) Limited	1 The Broadway, London, N8 8DU
Land & Site Acquisitions Limited	345 High Road, London N20 9HR
Life At Limited	Regina House, 124 Finchley Road, London, NW3 5JS
Markhome Limited	50 Lancaster Road, Enfield, Middlesex, EN2 0BY
Maslow's Group LLP	116 Upper Street, London, N1 1QP
New Road (Crouch End) Limited	Kemp House 152-160 City Road, London, EC1V 2NX
One Lusty Glaze Limited	Kemp House 152-160 City Road, London, EC1V 2NX
Orchid Capital (PCC) Limited	Mont Crevelt House, Bulwer Avenue, St. Sampson, Guernsey, GY2 4LH
Pentire Pavilions Limited	Bridge House, 4 Borough High Street, London, SE1 9QR
Romney House Developments Limited	11-15 Wigmore Street, London, W1A 2JZ
Shanghai LeJia Real Estate Consultant Co., Ltd	Room 2705, Block 2 of Office Building, No. 1539, Nanjing West Road, Jing'an District, Shanghai
South Audley Street LLP	116 Upper Street, London, N1 1QP
Stamford Hounslow Limited	3rd Floor, Paternoster House, 65 St Paul's Churchyard, London, EC4M 8AB
The Cut Developments Limited	Kemp House 152-160 City Road, London, EC1V 2NX
The Stage Shoreditch LLP	116 Upper Street, London, N1 1QP
Vasthouse Limited	28 Manchester Street, London, W1U 7LF

Look through results (unaudited)

as at 31 March 2022

The following note is for information purposes only and does not form part of the audited accounts. It presents the group results on a "look through" basis by reversing the equity accounting adjustments, removing non-controlling interests and including the group's share of associate and joint venture interests on a line by line basis. The directors consider this non-GAAP presentation to be a meaningful measure of the group's results.

	Equity accounting basis £'000	Equity accounting adjustment £'000	Joint ventures £'000	Associated undertakings £'000	Non-controlling interests £'000	Look-through basis £'000
Consolidated income statement 2022						
Turnover	**203,776**	**(12,580)**	**138,887**	**-**	**(55,757)**	**274,326**
- Construction	*57,816*	*(12,580)*	*-*	*-*	*-*	*45,236*
- Developments	*145,960*	*-*	*138,887*	*-*	*(55,757)*	*229,090*
Cost of sales	**(179,164)**	**13,292**	**(118,942)**	**(479)**	**50,759**	**(234,534)**
- Construction	*(47,678)*	*12,580*	*-*	*-*	*-*	*(35,098)*
- Developments	*(131,486)*	*712*	*(118,942)*	*(479)*	*50,759*	*(199,436)*
Gross profit	**24,612**	**712**	**19,945**	**(479)**	**(4,998)**	**39,792**
- Construction	*10,138*	*-*	*-*	*-*	*-*	*10,138*
- Developments	*14,474*	*712*	*19,945*	*(479)*	*(4,998)*	*29,654*
Overheads	(21,183)	-	(2,273)	(17)	75	(23,398)
Other operating income	35,980	(712)	3,087	1,204	(7,921)	31,638
Other operating expenses	(22,313)	-	(3,941)	(645)	9,879	(17,020)
Profit from the disposal of assets	9,196	-	-	-	-	9,196
Gains/(losses) from fair value changes in investment properties	1,996	-	-	-	-	1,996
Group operating profit	**28,288**	**-**	**16,818**	**63**	**(2,965)**	**42,204**
Share of profit/(loss) in:						
Joint ventures	3,865	(3,865)	-	-	-	-
Associates	(2,460)	2,460	-	-	-	-
	1,405	**(1,405)**	**-**	**-**	**-**	**-**
Interest receivable and similar income	3,599	-	14	-	(3,841)	(228)
Interest payable and similar charges	(13,529)	-	(10,315)	(2,627)	7,380	(19,091)
Profit on ordinary activities before taxation and exceptional charges	**19,763**	**(1,405)**	**6,517**	**(2,564)**	**574**	**22,885**
Exceptional costs	(15,169)	-	-	-	-	(15,169)
Profit on ordinary activities before taxation	**4,594**	**(1,405)**	**6,517**	**(2,564)**	**574**	**7,716**
Tax on profit on ordinary activities	(134)	-	(2,652)	104	232	(2,450)
Profit for the financial year	**4,460**	**(1,405)**	**3,865**	**(2,460)**	**806**	**5,266**
Non-controlling interests	806	-	-	-	(806)	-
Profit for the financial year attributable to owners of the parent	5,266	(1,405)	3,865	(2,460)	-	5,266

	Equity accounting basis		Joint ventures			Look-through basis
Gross profit margin	**12.1%**		**14.4%**			**14.5%**
- Construction	*17.5%*		*0.0%*			*22.4%*
- Developments	*9.9%*		*14.4%*			*12.9%*
Operating margin	**13.9%**		**12.1%**			**15.4%**

Look through results (unaudited)

	Equity accounting basis £'000	Equity accounting adjustment £'000	Joint ventures £'000	Associated undertakings £'000	Non-controlling interests £'000	Look-through basis £'000
Consolidated income statement 2021 *Restated						
Turnover	**299,628**	**(37,043)**	**142,024**	**-**	**(13,980)**	**390,629**
- Construction	*159,437*	*(37,043)*	*-*	*-*	*-*	*122,394*
- Developments	*140,191*	*-*	*142,024*	*-*	*(13,980)*	*268,235*
Cost of sales	**(241,590)**	**45,126**	**(102,725)**	**2,441**	**9,570**	**(287,178)**
- Construction	*(136,284)*	*37,043*	*-*	*-*	*-*	*(99,241)*
- Developments	*(105,306)*	*8,083*	*(102,725)*	*2,441*	*9,570*	*(187,937)*
Gross profit	**58,038**	**8,083**	**39,299**	**2,441**	**(4,410)**	**103,451**
- Construction	*23,153*	*-*	*-*	*-*	*-*	*23,153*
- Developments	*34,885*	*8,083*	*39,299*	*2,441*	*(4,410)*	*80,298*
Overheads	(16,710)	-	(7,750)	(308)	73	(24,695)
Other operating income	20,628	(8,083)	13,870	836	(3,357)	23,894
Other operating expenses	(5,282)	-	(779)	(1,847)	2,139	(5,769)
Profit from the disposal of assets	28	-	-	-	-	28
Gains/(losses) from fair value changes in investment properties	(7,707)	-	-	-	-	(7,707)
Group operating profit	**48,995**	**-**	**44,640**	**1,122**	**(5,555)**	**89,202**
Share of profit/(loss) in:						
Joint ventures	30,330	(30,330)	-	-	-	-
Associates	(1,476)	1,476	-	-	-	-
	28,854	**(28,854)**	**-**	**-**	**-**	**-**
Interest receivable and similar income	4,581	-	170	1	(131)	4,621
Interest payable and similar charges	(16,028)	-	(8,166)	(2,572)	2,112	(24,654)
Profit on ordinary activities before taxation	**66,402**	**(28,854)**	**36,644**	**(1,449)**	**(3,574)**	**69,169**
Tax on profit on ordinary activities	(12,833)	-	(6,314)	(27)	402	(18,772)
Profit for the financial year	**53,569**	**(28,854)**	**30,330**	**(1,476)**	**(3,172)**	**50,397**
Non-controlling interests	(3,172)	-	-	-	(3,172)	-
Profit for the financial year attributable to owners of the parent	50,397	(28,854)	30,330	(1,476)	-	50,397

	Equity accounting basis		Joint ventures			Look-through basis
Gross profit margin	**19.4%**		**27.7%**			**26.5%**
- Construction	*14.5%*		*0.0%*			*18.9%*
- Developments	*24.9%*		*27.7%*			*29.9%*
Operating margin	**16.4%**		**31.4%**			**22.8%**

* Prior year balances have been restated to reflect certain companies owned by the Group as subsidiaries consolidated line by line rather than as equity accounted joint ventures.

Look through results (unaudited)

as at 31 March 2022

The following note is for information purposes only and does not form part of the audited accounts. It presents the group net assets and equity attributable to owners of the parent on a "look through" basis by reversing the equity accounting adjustments, removing non-controlling interests and including the group's share of associate and joint venture interests on a line by line basis. The directors consider this non-GAAP presentation to be a meaningful measure of the group's net assets and equity attributable to owners of the parent.

Consolidated net assets 2022	Equity accounting basis £'000	Equity accounting adjustment £'000	Joint ventures £'000	Associated undertakings £'000	Non-controlling interests £'000	Look-through basis £'000
Intangible assets - negative goodwill	(3,141)	-	-	-	-	(3,141)
Intangible assets - positive goodwill	2,657	-	-	-	-	2,657
Tangible fixed assets	25,265	-	1	11	(303)	24,974
Fixed asset investments	116,158	(112,817)	-	-	(44)	3,297
	140,939	**(112,817)**	**1**	**11**	**(347)**	**27,787**
Current asset investments	261	-	-	-	-	261
Stocks	406,363	-	162,359	91,583	(98,489)	561,816
Debtors	93,805	-	9,733	842	27,057	131,437
Cash at bank and in hand	40,129	-	8,179	2,688	(13,139)	37,857
	540,558	**-**	**180,271**	**95,113**	**(84,571)**	**731,371**
Creditors: amounts falling due within one year	**(227,803)**	**-**	**(75,229)**	**(6,738)**	**36,145**	**(273,625)**
Net current assets	312,755	-	105,042	88,375	(48,426)	457,746
Total assets less current liabilities	453,694	(112,817)	105,043	88,386	(48,773)	485,533
Creditors due in more than one year	(120,261)	-	(22,393)	(58,219)	35,180	(165,693)
Provisions for liabilities	(13,850)	-	-	-	-	(13,850)
Net assets	**319,583**	**(112,817)**	**82,650**	**30,167**	**(13,593)**	**305,990**
Non-controlling interests	(13,593)				13,593	-
Equity attributable to owners of the parent	**305,990**	**(112,817)**	**82,650**	**30,167**	**-**	**305,990**

Consolidated net assets 2021 *Restated	£'000	£'000	£'000	£'000	£'000	£'000
Intangible assets - negative goodwill	(4,503)	-	-	-	-	4,503)
Intangible assets - positive goodwill	2,813	-	-	-	-	2,813
Tangible fixed assets	22,075	-	2	-	(449)	21,628
Fixed asset investments	145,893	(141,182)	-	-	(122)	4,589
	166,278	**(141,182)**	**2**	**-**	**(571)**	**24,527**
Current asset investments	272	-	-	-	-	272
Stocks	318,554	-	255,452	94,113	(74,982)	593,137
Debtors	138,861	-	22,710	10,973	10,711	183,255
Cash at bank and in hand	61,259	-	26,752	580	(12,349)	76,242
	518,946	**-**	**304,914**	**105,666**	**(76,620)**	**852,906**
Creditors: amounts falling due within one year	**(256,649)**	**-**	**(158,238)**	**(14,347)**	**36,901**	**(392,333)**
Net current assets	262,297	-	146,676	91,319	(39,719)	460,573
Total assets less current liabilities	428,575	(141,182)	146,678	91,319	(40,290)	485,100
Creditors due in more than one year	(95,434)	-	(48,089)	(48,726)	28,449	(163,800)
Provisions for liabilities	(14,619)	-	-	-	-	(14,619)
Net assets	**318,522**	**(141,182)**	**98,589**	**42,593**	**(11,841)**	**306,681**
Non-controlling interests	(11,841)				11,841	-
Equity attributable to owners of the parent	**306,681**	**(141,182)**	**98,589**	**42,593**	**-**	**306,681**

* Prior year balances have been restated to reflect certain companies owned by the Group as subsidiaries consolidated line by line rather than as equity accounted joint ventures.

Soho Wharf • Birmingham

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