Report & Accounts 2020

Galliard
Group Limited


TCRW
SOHO
TOTTENHAM COURT ROAD WEST

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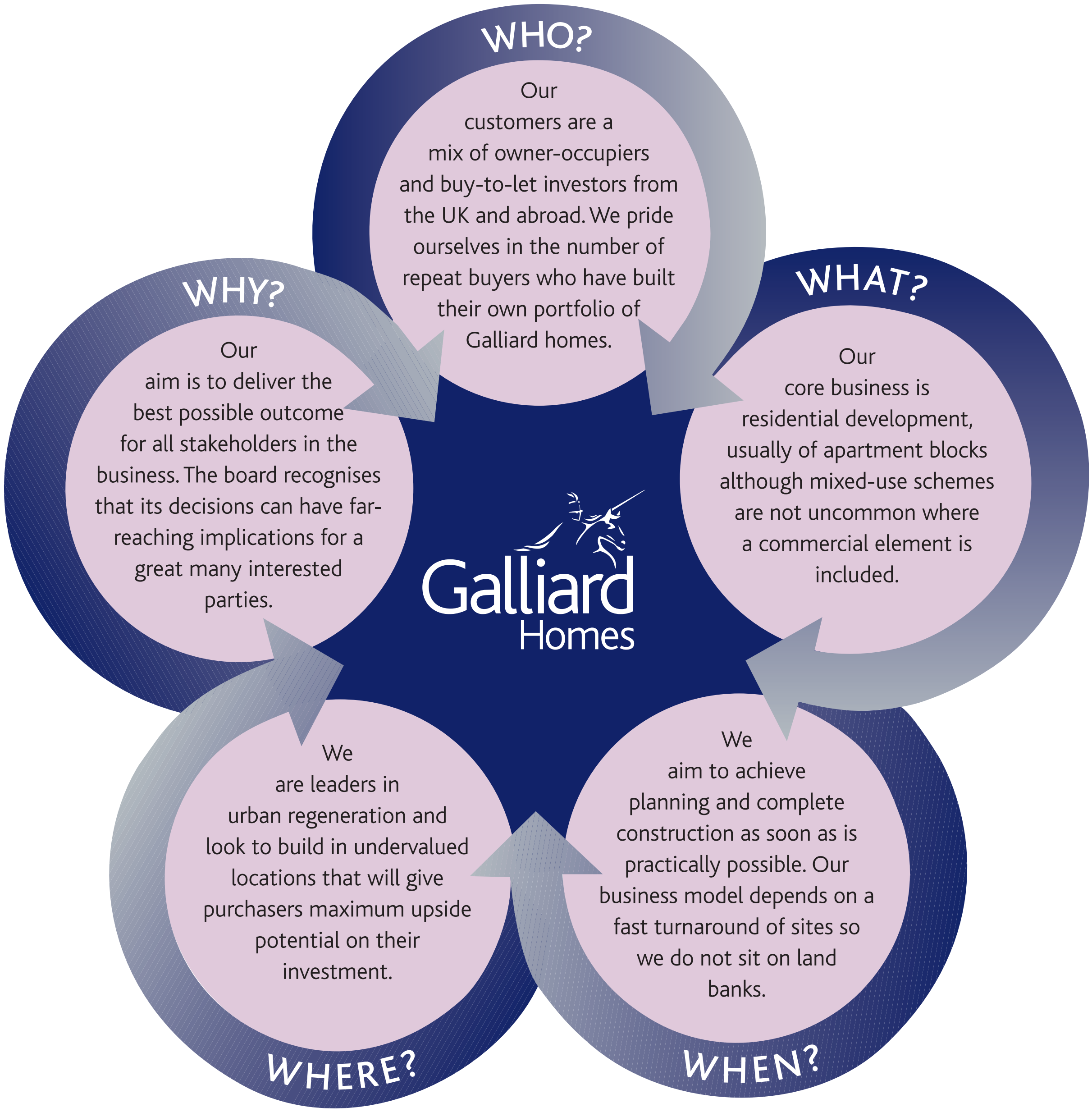
Galliard
Group Limited

Galliard. The industry leader



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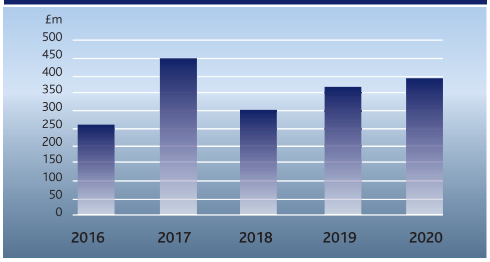

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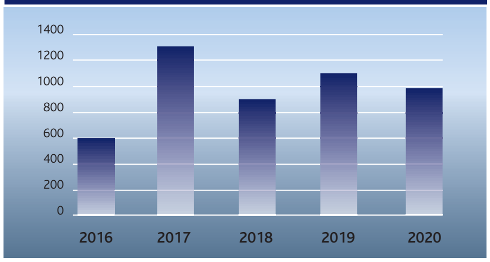

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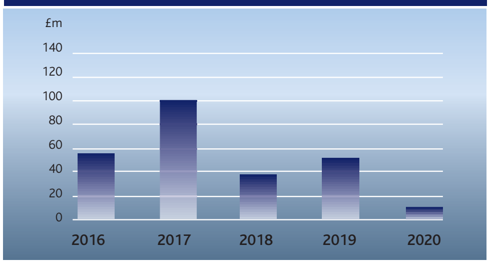

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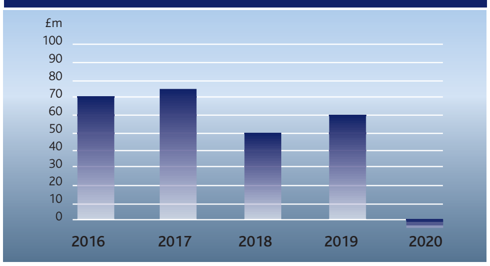

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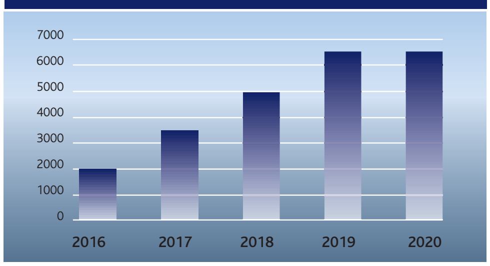


New homes in process of development

Chairman's statement

History is punctuated by events of such magnitude that the very fabric of society is shaken. We are living through one such event and everyone reading this will have their own personal experience of its effect on their lives. With a few notable exceptions, nobody anticipated that a global pandemic would or could have such devastating repercussions on everyday life and we are still a long way from a return to the kind of lifestyle we have all been used to if, indeed, that will ever again be possible. It is against this backdrop that I present our annual report for 2020.

Westgate House, *Ealing W5*

The effects of the pandemic were not felt until the end of our financial year which limited the impact on the results we are now publishing. The housing market was, as we anticipated, showing signs of recovery after the long period of uncertainty caused by Brexit's political stalemate just as the next crisis hit. The resultant delays in sales completions and downward pressures on site values have, inevitably, affected us adversely and in consequence, the profit I was expecting to report for the year has been turned into a pre-tax loss of £7.1m. I should emphasise, however, that our underlying business remains strong and early indications are that, as the lock-down eases, confidence will return to the market and this should feed through to the bottom line. Much will depend on how quickly restrictions are relaxed and the effect of this on the rate of infection.

We have found the government's response to the current crisis in terms of business support to be of great help, particularly the job retention scheme and the positive, commercial attitude of HM Revenue & Customs. Our size is such that we fall between the criteria for the government's two main loan schemes so it is fortunate that our balance sheet is sufficiently strong that such loans are not required. I would like to thank each and every one of our staff personally for the sacrifices they have made and their unwavering support in these difficult times. I would also like to thank our funding banks for their "business as usual" attitude over the last few months that has enabled us to maintain our economic activity at levels that are as high as possible.

It is important not to lose sight at this time of a number of factors from which we can draw comfort. There is no doubt for example that, along with the logistics industry, the safest and most resilient business sector at the moment is our own. Also the current, historically low interest rates not only strengthen demand from buyers who require mortgages but also drive up the capital values of PRS developments. London, which has always been the main focus of our activity, remains the most popular capital city in the world for overseas property investors and demand from Asia, where we have a strong customer base, remains strong. Our business model of selling off-plan and spreading risk continues to provide a stable and sustainable trading base that enables us to withstand even the most turbulent market conditions and the fact that our accounting is not aggressive gives us confidence in our balance sheet and reassurance that our net assets values can be relied upon and are not being overstated. Last but by no means least we have an extremely experienced management team and between us we have successfully navigated every economic crisis since the recession of 1974. Few companies of our size can boast the same level and scope of experience and expertise. With the prevalence of so much negativity these positives should not be overlooked.

I would like to place on record my sincere thanks to Mr Ching Chiat Kwong and Mr Low See Ching for their contribution to the success of the group over the past five years. "Ching" and "Eric" as they are affectionately known have served on the board and given us the benefit of their considerable property experience since Oxley Bright Pte Limited became shareholders in 2015. On 29 May 2020 Oxley sold their entire shareholding (7,673,458 ordinary shares) to FREP IV H1 Ltd ("Frogmore") one of the Frogmore Real Estate Partners funds and I am delighted to welcome Jo Allen and Patrick Smith to the board as representatives of Frogmore. I have known Jo and Paddy for many years and have no doubt that their addition to the board will be of great value.

The economic effects of the current pandemic are being felt far and wide. The storm has not yet abated and may yet continue for many more months. Only the strongest will survive. We have built a business at Galliard on foundations of shrewd and prudent cash management by an experienced and highly qualified team using a tried and tested business model. We are confident that we can withstand even the most exacting of ordeals and emerge leaner, fitter and stronger. The gauntlet has been thrown and we have accepted the challenge.

Finally, it would be wrong of me to finish without expressing my condolences to all who have lost a loved one to this merciless virus. Our thoughts and prayers are with them and those that grieve for them.

Stephen Conway
Chairman
10 July 2020

Chief executive's review

The publication of the Annual Report provides us with an opportunity to share an insight into the business beyond the numbers. We have a broad range of stakeholders who contribute to and support the success of Galliard, from joint venture partners to funding banks, consultants, contractors and of course our own staff – all come together to create the Galliard brand that has been supplying and serving home buyers and investors loyally for 28 years. All of these stakeholders have been affected by the COVID-19 emergency. The shockwaves through all of our lives recognise no boundary, and every business has had to adapt quickly and comprehensively to meet the challenge.

TCRW, *London W1*

The Galliard story through the pandemic is interspersed with sobering milestones, the first being the temporary closure of the Galliard office in Shanghai on 12 February (reopened on 13 April), followed some six weeks later by the shutting of UK sites and offices on the 24 March. At every step of the way, the health of our workers, our customers and the communities in which we operate has been the single most important consideration in every decision we have made – referencing guidance from government and public agencies. At the commencement of lockdown, we immediately implemented our 'Business Continuity Plan' and smoothly transitioned from office to home-based working for our admin staff and from physical to virtual viewings for our sales teams. The directors attended a virtual daily briefing and maintained frequent communications with our stakeholders, keeping them informed of the evolving situation as it affected the business. Sites partially re-opened on 14th April, sales centres on 20th May and the head office on 1st June. The sites have now reached 70% of pre-lockdown capacity, and any increase beyond that figure will depend on a substantial reduction of COVID-19 related restrictions.

Externally we were able to offer support with the supply of personal protective equipment (PPE) to four charities that have continued services through the pandemic as well as to the NHS Royal National Orthopaedic Hospital. In Essex we donated the use of a 2.5 acre warehouse site to the local authority for COVID emergency supplies storage and distribution.

By 31 March 2020 we had £3.95bn of GDV across 35 projects on our books, we held an average of 37.9% of the equity in these developments ourselves, with the balance shared by our joint venture partners. The turnover this year has increased by 8% to £398m, the underlying balance sheet value has increased by 4% to £301m. The timing of large projects, some with construction programmes of up to three years, is reflected in large fluctuations in the number of homes finished from year to year. During the year ended 31 March 2020 we completed 998 new homes (including 250 social housing homes), the reduction in completed sales is reflected in the recognition of a £7.1m trading loss for the year.

This year saw the successful completion of ten office to residential conversion projects. It has been an area of the market that has suited our business. With our in-house resources we have planned, designed and constructed over 2,500 apartments since permitted development was introduced in 2013. Stripping the buildings back to their bare structure internally has facilitated the construction of quality new apartments that have all been sold with the same 10-year warranty as any other new build home.

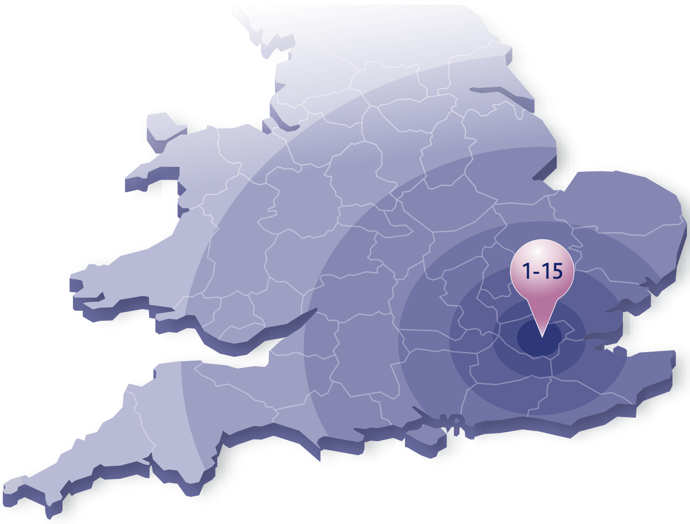
We are now facing a tightening market so we have carried out an extensive review of our preparedness for the challenges that poses. As a result it was clear that our staffing levels were inappropriately high for the workload visibility in to 2021. We therefore reluctantly decided to implement a programme of restructuring that resulted in 15% of roles becoming redundant, representing 60 jobs across the business. We recognise that the redundancy process is unsettling for the whole workforce because of its direct impact on their personal livelihoods so we have put in place independent third party support services for all of those affected.

The pandemic disruption to work practices across sites, offices and sales centres has determined that we could not run our 'Engage' student work experience programme in summer 2020. We have also postponed new recruitment for the 'Evolve' apprenticeship scheme and the 'Elevate' graduate training programme until the first quarter of 2021. However, our colleagues currently going through the existing programmes have been unaffected by the restructuring.

In our report next year we will hopefully be able to reflect on the outcome of a return to "new normality" post-COVID and how the economy has been affected. By then we will also know the detail of the Brexit deal due at the end of 2020. Together these will undoubtedly have the biggest influence on business in the current financial year. During the lockdown, the government included construction workers in the home building industry on the essential workers list in recognition of the importance of our sector. Home building continues to be critical for Britain, and the continuing undersupply will only be addressed if progressive companies apply innovative ideas to satisfy the shortfall. We are confident that our people, backed with a balance sheet of strength will continue to drive Galliard forward into the new roaring twenties.

Don O'Sullivan
10 July 2020

Operational locations - Planning



Greater London

At 31 March 2020 the group had 15 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.

	DEVELOPMENT	ACQUISITION DATE	DESCRIPTION
1	**Bear Lane** Southwark SE1	Mar - 19	Office development and conversion of railway arches to retail/entertainment. New build site requires consolidation of multiple adjacent freehold sites that we have assembled.
2	**Bittern Place, Wood Green** Haringey N22	Mar - 20	Long leasehold, tenanted commercial site with development potential for up to 200 residential units.
3	**Blackheath, The Glebe** Lewisham SE3	Apr - 15	A semi-detached Victorian house with enough land for a further dwelling. Existing house to be sold in current state and planning to be sought for the additional house.
4	**Catford** Lewisham SE6	Mar - 16	Existing timber yard. Planning obtained for new-build scheme including 36 private and 6 social units. Further planning to be sought for a 55 unit scheme.
5	**Selinas Lane, Chadwell Heath** Barking and Dagenham RM8	May - 01	Freehold former industrial estate now demolished. Site under offer to local council (sale completed 2 July 2020).

	DEVELOPMENT	ACQUISITION DATE	DESCRIPTION
6	**Chiswick Roundabout** Hounslow W4	Jun - 15	Freehold cleared site. Planning being sought for a new-build scheme of 327 units with office and retail space.
7	**Creekside** Lewisham SE8	Jun - 17	Freehold site. Planning being sought for 393 residential units including 10% social housing plus a new concert hall and 10,000 sq.ft. of commercial space.
8	**Eagle Wharf Road** Hackney N1	Sep - 16	Commercial/warehouse buildings ranging from two to three storeys in height. Planning application in progress for 50 private units plus affordable and commercial space.
9	**Finchley Road** Barnet NW11	Feb - 10	Remaining parcel of land adjacent to previously sold site. Application in progress for permission to build two low energy three bed houses.
10	**Kensal Road** Kensington and Chelsea W10	Feb - 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.
11	**Limehouse** Tower Hamlets E14	STP*	Permission currently being sought for 108 residential units plus 20,000 sq.ft. of commercial space that will be returned to the vendor.
12	**Mile End Road** Tower Hamlets E3	Jan - 07	Mixed used retail and nightclub site for which planning is proving difficult. Next steps are currently being reviewed.
13	**Norlington Road** Waltham Forest E10	Mar - 18	Site being assembled that will accommodate a mixed used scheme with up to 175 residential units.
14	**Westminster Industrial Estate** Greenwich SE18	STP*	An existing commercial site for which planning options are currently being considered. Potentially the site could yield up to 500 residential units plus 60,000 sq.ft. of commercial space.
15	**Yates, Bath Road** Hounslow TW3	Jun - 16	Former public house for which planning application submitted for 250 co-living apartments, 10,000 sq.ft. of co-working space and 5,000 sq.ft. of retail space.

* Subject to planning

Operational locations - Planning

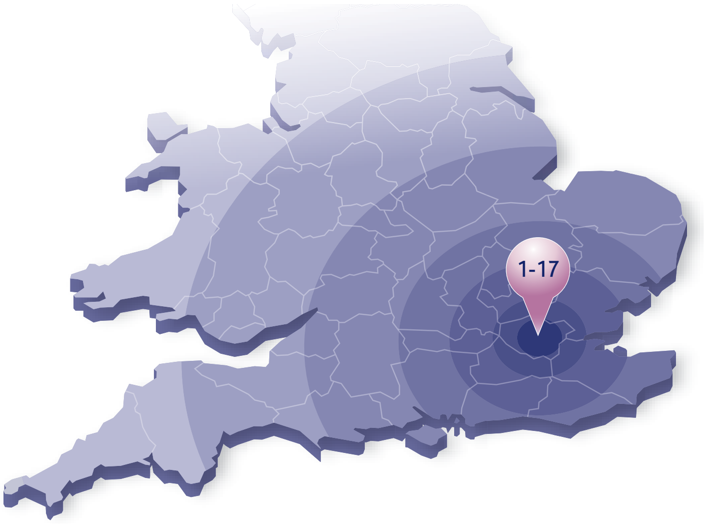
The Midlands, South East and South West

The group also has an interest in 12 sites outside of its Greater London nucleus that could potentially yield around 7,000 residential units in addition to considerable commercial, retail and leisure facilities.

	DEVELOPMENT	ACQUISITION DATE	DESCRIPTION
1	**Andrews Airfield** Stebbing CM6	Oct - 05	The group has an option to purchase 314 acres of agricultural land that the local authorities have included in plans for a new "garden community". The site would yield c5,000 units.
2	**Gas House Lane** Ampthill MK45	Dec - 15	This former gas works depot has an existing house and approximately ¾ acre of land. Application has been made to build five detached houses.
3	**Fernhill Hotel** Charmouth DT6	Apr - 01	Planning application submitted for three houses on a two acre site adjacent to a previous development.
4	**Hunting Butts** Cheltenham GL50	Jun - 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.

	DEVELOPMENT	ACQUISITION DATE	DESCRIPTION
5	**Icen Way** Dorchester DT1	Dec - 15	Application for a 17 unit scheme has been made in respect of this former gas depot with ½ acre of land and a workshop.
6	**Kirk Ogden Close** March PE15	Dec - 15	This former gas works depot with pumping station has planning for six apartments, ten houses and three bungalows.
7	**Middleway** Birmingham B12	Oct - 18	Designs for a 394 unit scheme are being finalised prior to the submission of a planning application.
8	**Oswalds Boat Yard** Oulton Broad NR32	Oct - 04	This former boatyard and industrial site has river frontage. A scheme involving 14 houses, 10 apartments, a library and a coffee shop is currently being considered.
9	**Oxford Greyhound Stadium** Oxford OX4	Sep - 16	This was part of the former Greyhound Racing Association portfolio and negotiations to achieve residential planning on the site are ongoing with the local authority.
10	**St John's Nursery** Clacton-on-Sea CO16	Mar - 07	There is currently an application for 195 units plus 10,000 sq.ft. of commercial space on this 18 acre former garden centre site.
11	**The Colts** Sawbridgeworth CM21	Sep - 18	A planning application is to be submitted replacing an existing bungalow with two detached houses on this ½ acre site. There is also an adjacent plot of land currently designated as greenbelt that has development potential for a further 55 units.
12	**Woodhall Lane** Shenley WD7	Jan - 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.

Operational locations - Construction



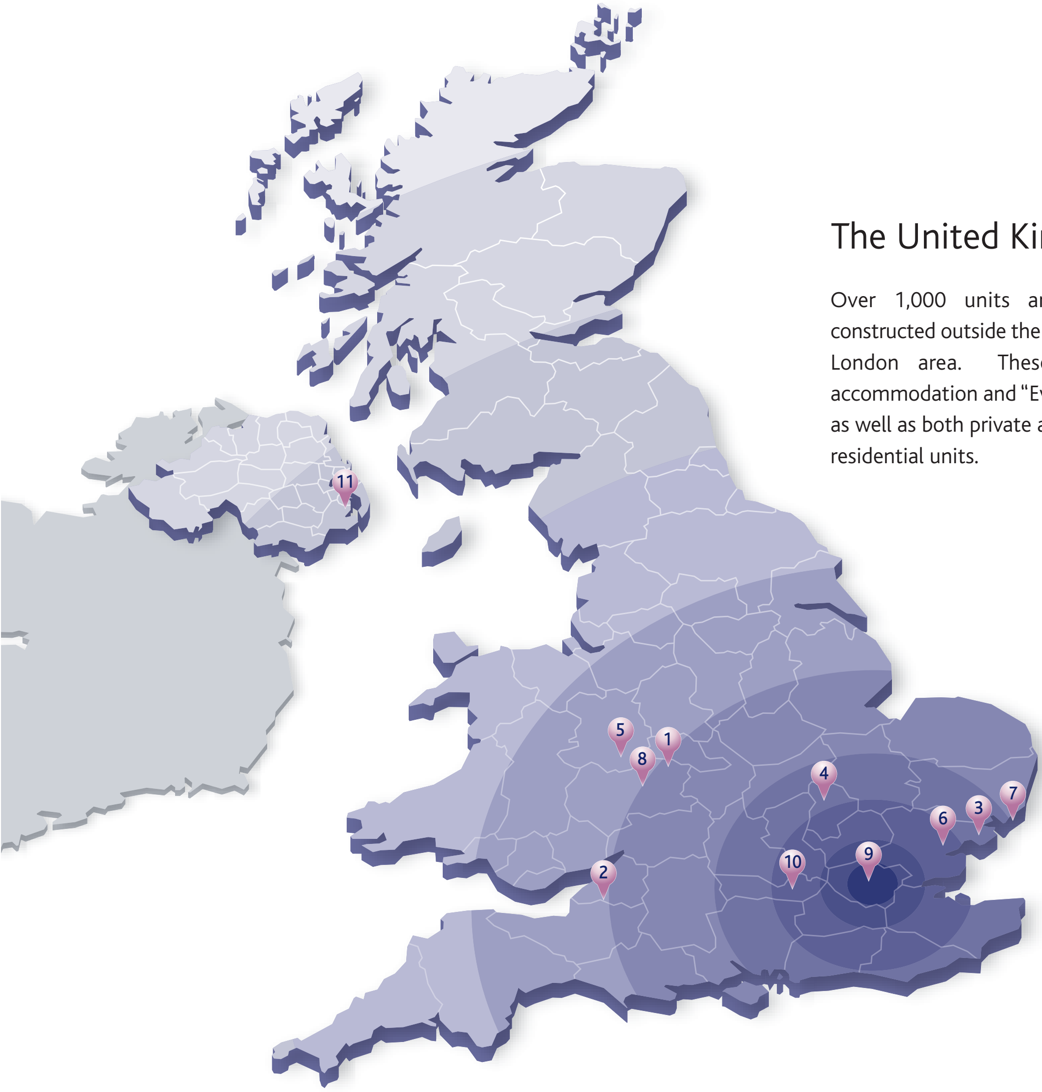
Greater London

Construction work has either started or is due to start shortly on over 5,000 residential units across 17 sites in the Greater London area. Over 1,200 of these are social/affordable housing units.

	DEVELOPMENT	ACQUISITION DATE	DESCRIPTION
1	**Baltimore Wharf** Tower Hamlets E14	Feb - 13	Construction of 5 additional apartments on the 43rd floor is complete. Application for change of use to residential on the 44th and 45th floors has been submitted.
2	**Cantium Retail Park** Southwark SE1	Mar - 17	Planning approved for 1,113 units including 418 affordable housing units plus commercial space. Awaiting signing of S.106 agreement.
3	**Church Road, Leyton** Waltham Forest E10	Jan - 17	Construction nearing completion of 50 units including 10 affordable housing units.
4	**Hackney Wick** Hackney E9	Mar - 14	Planning obtained and S106 agreement signed for 475 units including 241 affordable housing units plus commercial space.
5	**Harbour Central** Tower Hamlets E14	Dec - 14	Construction nearing completion of 903 units including 253 social housing units.
6	**Honda Garage, Southall** Ealing UB2	Oct - 17	Construction ongoing of 191 units including 58 affordable housing units. Completion scheduled for fourth quarer of 2020.

	DEVELOPMENT	ACQUISITION DATE	DESCRIPTION
7	**Honey Monster, Bridge Rd** Southall UB2	May - 17	Decontamination and preparatory works for demolition underway. S106 agreement in process of finalisation for scheme to construct 1,997 units plus 322,000 sq ft of commercial space including a creative hub / film studio complex.
8	**Neopost House, Romford** Havering RM1	Aug - 16	Construction underway on 121 units in existing office building under permitted development rights. Completion scheduled for first quarter 2021. Additional planning has been granted for a further 6 units on the roof and applications are also pending for up to 110 further units to be built in the car park.
9	**Neptune Wharf** Lewisham SE8	Dec - 13	Decontamination work started pending completion of purchase of final parcel of land.
10	**Nine Elms** Wandsworth SW8	Jun - 19	Construction work has started on a 262 unit scheme incuding 66 affordable homes. Completion is scheduled for the second quarter of 2022.
11	**Orchard Wharf** Tower Hamlets E14	Jul - 15	Construction underway on 338 units including 102 social housing units. Completion scheduled for third quarter 2021.
12	**St Edwards Court, Romford** Havering RM7	Sep - 16	Construction work recently completed on all 93 units.
13	**Stadia Three, Wimbledon** Merton SW17	Feb - 18	Construction underway on 632 units including 181 social housing units. Completion scheduled for third quarter 2021.
14	**The Stage, Shoreditch** Hackney EC2	May - 15	Construction underway on 412 units plus significant commercial and leisure facilities. Completion scheduled for third quarter 2022.
15	**Tower Bridge Road** Southwark SE1	Mar - 18	Construction work underway on 86 units plus commercial space. Completion scheduled for the second quarter 2021.
16	**Tottenham Court Rd West** Westminster W1	Nov - 20	92 unit scheme above the new Tottenham Court Road Crossrail station in Oxford Street. Acquisition of site will complete once vacant possession has been obtained, anticipated for fourth quarter of 2020.
17	**Westgate House, Hangar Lane** Ealing W5	Aug - 16	Construction underway on 378 units including 26 social housing units. Completion scheduled for third quarter 2020.

Operational locations - Construction



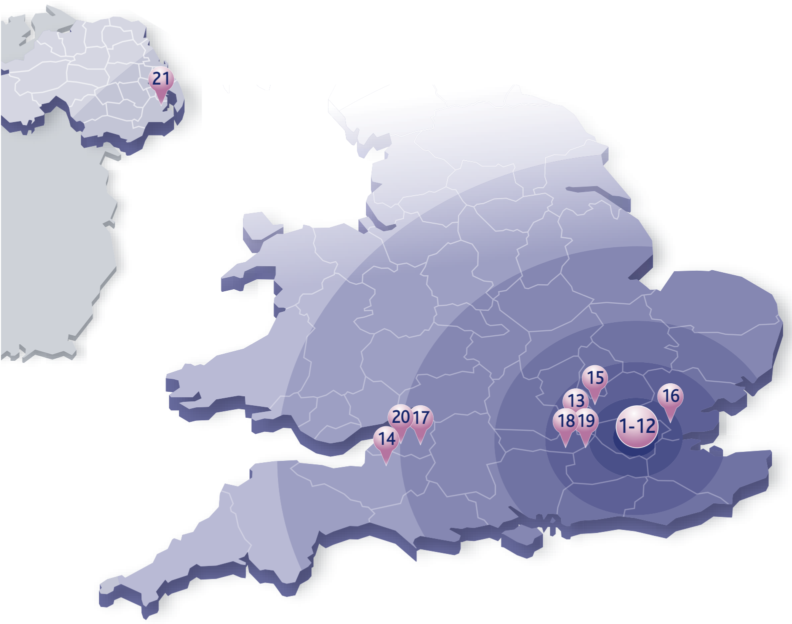
The United Kingdom

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.

	DEVELOPMENT	ACQUISITION DATE	DESCRIPTION
1	**AE Harris** Birmingham B3	Dec - 19	Construction work to commence on this scheme for 305 residential units plus retail, workspace and leisure facilities once the S106 agreement has been signed.
2	**Brooks Laundry** Bristol BS2	Aug - 17	Work is ongoing on construction of 105 units including 24 social housing units. Completion is scheduled for the second quarter of 2022.

	DEVELOPMENT	ACQUISITION DATE	DESCRIPTION
3	**Evolve** Colchester CO7	Aug - 18	Construction work has started on 90 "Evolve" business units with completion scheduled for the third quarter of 2020.
4	**Evolve** Milton Keynes MK14	Feb - 19	Planning obtained for 85 'Evolve' business units aimed at small established and start-up companies.
5	**Pershore Street** Birmingham B5	Oct - 18	Construction work has started on the 379 units with completion scheduled for the third quarter of 2021.
6	**Rosebery House** Chelmsford CM2	Jul - 16	Construction work is complete on the 48 units in the East Block. The West Block is still to be refurbished and re-let as offices.
7	**Shotley Gate** Ipswich IP9	Jun - 02	Construction will commence as soon as pre-commencement covenants have been discharged.
8	**Soho Loop** Birmingahm B18	Jun - 17	Construction work will commence on this scheme for 650 apartments and 102 houses once the S106 agreement has been signed. The scheme, adjacent to Birmingham City Hospital includes 61 affordable units.
9	**Sterling House** Loughton IG10	Feb - 04	Preliminary works ongoing on additional office accommodation.
10	**Thames Farm** Shiplake RG9	Oct - 18	Barn remaining after sale of 95 unit scheme, has planning for 4 houses and is on the market.
11	**Woodbrook** Lisburn BT28	May - 16	Construction work underway on 321 unit scheme. Work being undertaken under licence by local builders. Long term project anticipated to complete in 2027.

Operational locations - Sales completions



London, Home Counties, The South East and South West

The table opposite shows the private residential sales completed in the year to 31 March 2020. The average price per unit sold during the year was £369,000 compared with £438,000 in the year to 31 March 2019.

1	BALTIMORE WHARF TOWER HAMLETS E14	8	MUSWELL HILL POLICE STATION HARINGEY N2	15	CARLTON HOUSE LUTON LU4
2	CRANESHAW HOUSE HOUNSLOW TW3	9	OSBORN HOUSE LEWISHAM SE3	16	ESSEX HOUSE BRENTWOOD CM14
3	DESIGN HOUSE, LONG LANE SOUTHWARK SE1	10	SILVER WORKS, COLINDALE BRENT NW9	17	HOPE HOUSE BATH BA1
4	HARBOUR CENTRAL TOWER HAMLETS E14	11	ST EDWARDS COURT HAVERING RM7	18	LANGWOOD HOUSE RICKMANSWORTH WD3
5	HARPER ROAD SOUTHWARK SE1	12	TRINITY SQUARE HOUNSLOW TW3	19	PINNACLE HOUSE KINGS LANGLEY WD4
6	JESSICA HOUSE WANDSWORTH SW18	13	ATRIA HOUSE SLOUGH SL1	20	TEMPUS, WHITELADIES ROAD BRISTOL BS8
7	MARINE WHARF LEWISHAM SE16	14	BRANDON YARD BRISTOL BS1	21	WOODBROOK LISBURN BT28

GALLIARD GROUP - PRIVATE RESIDENTIAL COMPLETIONS

Development	Location	Units	Sales £'000	Sq ft '000	£ per sq ft
Baltimore Wharf	Tower Hamlets E14	3	4,550	4.5	1,012
Craneshaw House	Hounslow TW3	1	178	0.3	555
Design House, Long Lane	Southwark SE1	4	4,320	5.0	872
Harbour Central	Tower Hamlets E14	28	16,757	16.9	989
Harper Road	Southwark SE1	15	13,567	13.6	998
Jessica House	Wandsworth SW18	68	26,286	30.5	861
Marine Wharf	Lewisham SE16	7	3,798	6.4	595
Muswell Hill Police Station	Haringey N2	3	3,370	4.9	690
Osborn House	Lewisham SE3	6	1,699	3.3	514
Silverworks, Colindale	Brent NW9	6	3,195	6.3	509
St Edwards Court	Romford RM7	26	6,221	10.0	621
Trinity Square	Hounslow TW3	5	1,135	2.2	514
Atria	Slough SL1	45	10,518	17.8	591
Brandon Yard	Bristol BS1	48	22,115	34.5	640
Carlton House	Luton LU4	50	8,540	19.6	436
Essex House	Brentwood CM14	25	6,614	12.2	543
Hope House	Bath BA1	20	12,755	16.1	790
Langwood House	Rickmansworth WD3	52	14,521	19.7	738
Pinnacle House	Kings Langley WD4	59	13,426	23.2	578
Tempus, Whiteladies Road	Bristol BS8	5	2,270	4.2	544
Woodbrook	Lisburn BT28	44	6,963	48.2	144
Total Private Completions	**2020**	**520**	**182,795**	**299.5**	**610**
Total Private Completions	**2019**	**796**	**347,131**	**532.1**	**652**

GALLIARD GROUP - TOTAL RESIDENTIAL COMPLETIONS

	Private	Housing association	PRS	Total
2020	520	250	228	**998**
2019	796	186	90	**1,072**

Brandon Yard, *Bristol BS1*

Risk Management

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.

	Issue
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.
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.
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.
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.
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.
Brexit	Although we now know that the UK will be leaving the EU, there is still considerable uncertainty about the exact terms of the departure which will subsist until the transition period ends on 31 December 2020.
Retention of Quality Staff	The successful delivery of our business objectives requires a sufficient pool of staff with knowledge, skill, expertise and ability.
Health & Safety	Construction sites are inherently hazardous and will always pose the threat of accident or injury to workers and visitors unless properly managed.
Liquidity	Continued support from external funders such as banks and other financial institutions is vital if we are to achieve our business objectives.

Impact	Mitigation
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.
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.
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.
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. 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.
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 governemnt'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.
As well as the effects on profitability that are caused by general changes in the economic environment, a restriction in the availability of labour could put pressure on wage costs and adverse changes in exchange rates could increase certain materials costs.	Whilst the effects of the Brexit procedure do not necessitate any discrete reaction, existing robust investment appraisals and market strategy reviews are being combined with efficient procurement processes and targeted training programmes as a response.
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.	Apprenticeship 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.
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.
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

Shareholders will look for annual income in the form of dividends as well as capital appreciation from growth in the net assets of the group. Robustness in moral awareness and social responsibility are also increasingly important considerations for this group.

Employees

Salary and benefit packages are obviously high on an employee's list of priorities but so, too, are the working environment, a sense of community and the self-worth that comes from the knowledge that your employer values your opinion.

JV Partners

Our joint venture partners are equity investors in specific projects. They will expect to be kept informed of the progress of their investment and to receive their agreed share of profits at its conclusion. They will also want to ensure that appropriate social and moral protocols are being followed.

Funders

The financial institutions that fund our debt requirement each have their own commercial and ethical frameworks within which they work. We would be required to conform to their standards of management in relation to any outstanding borrowing.

Subcontractors & Suppliers

We treat our subcontractors in the same way as our employees in terms of working conditions and inclusivity. We also keep in close contact with our suppliers as it is of mutual benefit to be well informed.

Local Community

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.

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 of paramount importance.

At Galliard we take being a responsible business seriously. As an employer of choice, our corporate strategy endorses our values and underpins the way in which we conduct our business.

We have a genuine desire to create a better London, and a better standard of living for those who live and work amongst us. We endeavour to act responsibly, operate ethically and champion integrity in all of our dealings.

As the largest private London developer our long-term goal is to engage with the communities within which we work and promote employability, educational advancement, charitable giving, a strong local economy and environmental sustainability.

We are committed to delivering a positive and enduring impact on our stakeholders – our employees, our investors, our communities and our clients.

GALLIARD HOMES
BUILDING A SUSTAINABLE FUTURE

Community interaction

Our employees remain committed to volunteering within the communities in which we work, live and build, giving generously of their time through mentoring, delivering careers talks, supporting university research projects, collecting and distributing food parcels, recycling clothes and toys and fundraising both in and out of work. Donating over £1.5 million to charitable causes, our motivation extends beyond the monetary and focuses on enriching the lives of those who work for us, with us and are impacted by the work we do. Building lasting legacies is at the heart of everything.

We have continued our main charity partnerships over the last 12 months organising events such as a charity football tournament raising almost £20,000 for GOSH, sponsored Schools Enterprise Projects in both West Essex and North London for Haven House, provided funding and IT support for our Birmingham based partner The Ladywood Project and funded a photographic collection highlighting the plight of the homeless in Birmingham for Sifa Fireside. As we expand our footprint we forge new friendships and have seen our efforts deliver The Nine Elms Advent Calendar, join forces with Sustainable Merton and fund the Chinese New Year celebrations in Birmingham. During the COVID-19 period we have supported our key workers in the NHS by donating vital PPE and warehouse space.

Great Ormond Street Hospital ("GOSH") is our nominated charity partner until 2020. Since 1852 GOSH has depended on charitable support to give patients the chance of a better future. Every day 618 seriously ill children from across the UK arrive at the hospital in urgent need of life-changing care. We have undertaken to raise £120,000 to be used to support the 'Home Away from Home' programme which funds parent accommodation, allowing families to stay close to their child when it matters most. It costs £44 per night per parent to stay close to their child.

Galliard continues to provide support to Haven House Children's Hospice located in close proximity to our head office. Haven House provides day and night stays either in the hospice itself or in the fully equipped family flat. The facility also offers support to parents and siblings by providing counselling groups, play sessions and support groups. The Hardship Fund is also administered by the hospice and covers emergency travel, medical equipment, funeral costs and bereavement counselling for the families. Full 24-hour care costs the facility £5,666 per day and this is what much of Galliard's fundraising goes towards.

The Ladywood Project is a small community based group which provides support and advocacy services to struggling families within the Ladywood, Soho and Jewellery Quarter districts of Birmingham. We have made funds available to help cover the costs of their Easter holiday hunger programme which assists families with the increased costs of fuel and food during school holidays and sponsored their Great Get Together Summer event.

SIFA Fireside are a charity based in Digbeth, Birmingham. They operate a day centre providing support and services for the adult homeless and vulnerably housed. The service provides 100 clothing parcels, 400 showers and over 3,000 meals per month. In February we allocated funding to SIFA to enable the centre to provide emergency overnight accommodation during the prolonged spate of freezing temperatures.


START


children's hospice

Considerate constructors

We take our responsibilities towards our staff and our neighbours seriously which is why all Galliard construction sites are registered with the Considerate Constructors Scheme ("CCS").

The CCS is a national initiative set up by the construction industry to improve its image. Construction sites that register with the scheme are monitored against a code of considerate practice designed to encourage best practice beyond statutory requirements. It is concerned about any area of construction activity that may have a direct or indirect impact on the image of the industry as a whole, the main areas of concern being: the general public, the workforce and the environment.

We positively engage with our neighbours to ensure we keep them informed of our plans and clearly provide contact details for specific named Galliard staff on each site so that any concerns can be raised directly and resolved quickly.

In summary the code aims to ensure that constructors:

- Ensure sites appear professional and well managed
- Give utmost consideration to their impact on neighbours and the public
- Protect and enhance the environment
- Attain the highest levels of safety performance
- Provide a supportive and caring working environment

We have had continued success in the Considerate Constructors Big Build Competition with St Patricks Primary School in Birmingham, in conjunction with our Timberyard development, being awarded runner-up for their city council model. We have supported a variety of Road Safety initiatives across our sites, in particular at Harbour Central and Church Road and continue to support the 'Open Doors' initiative, offering site tours to our own employees and their families, local schools such as those adjacent to our Stadia 3 site in Wimbledon and members representing our charity partners.

Stadia Three, *Wimbledon SW17*

Investing in our employees

Equality of opportunity

Our policy is to reward all staff equally for equivalent work, regardless of gender, race, colour or creed. In common with other companies in the construction sector our statistics are distorted because men, traditionally, are more likely to choose a career in this industry than women. The fact remains, however, that any pay disparity is due entirely to the greater proportion of men in more senior positions than women, a situation that we are continually striving to address.

At Galliard we employ a diverse range of people from a number of ethnicities and nationalities (30+) and between the ages of 16 and 75.

We are a Platinum sponsor of Women Into Construction and a leading member of the HBF Skills partnership working on changing the perception of the sector, promoting the opportunities available and tackling the skills shortage within our sector.

Investing in our environment

Health and safety

A commitment to maintain our excellent health and safety record is at the forefront of our operational priorities as we aim for a safe, injury-free working environment at all of our sites. We believe strongly that all accidents are avoidable and continually review our health and safety management systems to ensure as far as possible that all potential hazards within our control are identified, monitored and neutralised.

This year we maintained our RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations) reportable injury incidence rate at well below national and industry levels and remain committed to our ultimate goal of a zero reportable injury workplace.

Our training programme includes scaffold inspection, Prefabricated Access Suppliers and Manufacturers Association (PASMA) training, the Site Manager Safety Training Scheme (SMSTS) and First Aid at Work and our site managers must also work towards a National Examination Board in Occupational Safety and Health (NEBOSH) construction certificate.

Reducing waste

Every organisation needs to be aware of its impact on the environment. At Galliard we are committed to using scarce resources wisely, to minimise waste and to limit harmful emissions wherever possible.

Our ultimate aim is to recycle all waste from all our sites and we have consistently achieved a recycle rate of 98% since January 2014. We will continue with the many initiatives we have introduced to actively manage and reduce the impact of waste at our construction sites. We have also generated in excess of £50,000 of administrative savings through the introduction of "Shred-it" and "Follow-me-Printing" programmes.

Modern slavery

Galliard is committed to working with all of its stakeholders to ensure that our business and supply chains are slavery free. We have implemented a modern slavery policy throughout the group that embeds the protection of human rights into all of the group's trading relationships. In 2018 we adopted a sustainable procurement plan which aims to ensure that, as the principal contractor, our employees, subcontractors and suppliers are aligned to our sustainable development objectives and support our strategic and ethical procurement targets and support our zero tolerance approach to modern slavery. A group-wide training programme has also been implemented to further embed the group's values into its trading practices. Further details of our modern slavery statement can be seen by visiting our website at www.galliardhomes.com.

Building energy efficient homes

We also need to ensure that our finished product adheres to the sustainability standards established during the planning and construction phase. This is achieved through innovative design, intelligent deployment of technology and the use of energy efficient materials.

We have received 26 BREEAM (Building Research Establishment Environmental Assessment Method) and 4 CfSH (Code for Sustainable Homes) assessments at either very good or excellent and 96.6% of our apartments completed within the last year have achieved an EPC efficiency rating of at least 'B'.

Investing in our future

Learning and development

Managing our talent is key to our continued success. We have delivered over £200,000 of Learning & Development interventions this year and currently have 25 graduates and apprentices building their careers with us. Our internal talent management and succession planning programmes ensure we are continually upskilling our employee base, identifying future potential and retaining expertise within the group. We are also supporting 18 employees to achieve professional accreditation within their chosen disciplines and deploying CITB grants and our apprenticeship levy to maximum effect.

Our outdoor development 'Bootcamp' held annually in February incorporates all aspects of the Galliard Way and ensures each cohort understands our core values, which not only define the way we conduct our business but also encapsulate what it takes to be a success within the group.

Mental Health and Well-being

The mental health and wellbeing of our employees is taken very seriously at Galliard. Following the launch of our 'Take a minute' campaign in the summer of 2019 and our sponsorship of both Mates In Mind and the Lighthouse Charity, we have trained 40 Mental Health First Aiders across the Group, hosted a number of week long-roadshows providing not only physical health checks but mindfulness sessions, financial well-being clinics and nutrition workshops. Working in partnership with our peers, we are determined to break the stigma of poor mental health and in particular, reduce male suicide within the construction sector. At Galliard, it really is okay not to be okay.

Engage Work Experience Programme

Since 2015 we have successfully supported over 100 work experience students to complete paid work experience placements across the group.

Our commitment to develop and maintain strong relationships with local schools and colleges particularly in those areas where we have ongoing projects means we are able to connect with a wide variety of individuals keen to explore the opportunities the construction sector has to offer.

Participating in this summer scheme has also been hugely rewarding for our line managers who have acted not only as mentors to the students but also as ambassadors to the company.

Evolve Apprenticeship Programme

The Galliard Homes Evolve Apprenticeship Programme was launched in 2017 to support our future talent pipeline offering opportunities to those from 16 upwards who are interested in learning and earning simultaneously.

In the last three years over 200 candidates have applied for the scheme which has 10 roles available in every cycle. The disciplines range from corporate functions to site-based positions such as project and site management, engineering and surveying. The 2017, 2018 and 2019 cohort are entirely reflective of the communities in which we live, work and develop.

Elevate Graduate Scheme

Our rotational graduate scheme is now in its fourth year and has participants across disciplines such as investment and acquisitions, architecture, project management, surveying and engineering. The scheme which is 12 months in duration offers graduates exposure to the senior leadership team, experience of many areas within the business and access to a wealth of learning and development interventions, including an external secondment and the funding of professional qualifications.


GALLIARD
HOMES
SCHOOLS
ENTERPRISE


Youth Employment Strategy
YES
Motivation Conferences
World of Work Conferences
Breakfast for Business

Financial review

The headline figure shows a pre-tax loss of £7.1m for the year to 31 March 2020 compared with a pre-tax profit of £61.6m for the previous year but this is in no way representative of the underlying trading performance for the year. However, the situation changed almost overnight when the Prime Minister announced the lockdown on 23rd March 2020. Property values suffered an immediate downturn that was sufficient to wipe out the profits earned over the previous fifty-one weeks. Our balance sheet has nonetheless been strengthened by the issue of additional shares to Cain International on the exercise of their option (see note 26 to the accounts page 73). As a result net assets have increased from £289.8m on 31 March 2019 to £301.0m on 31 March 2020.

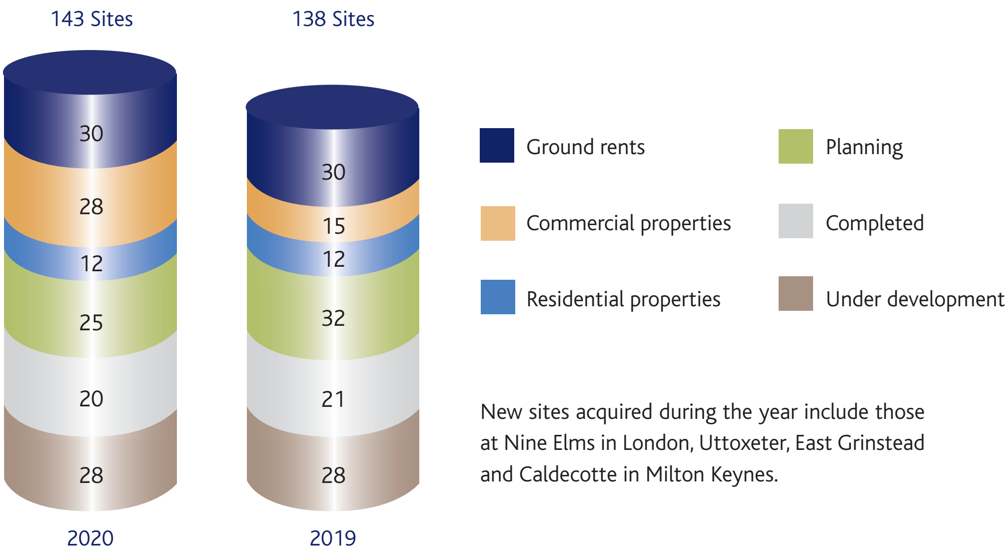
Hope House, *Bath BA1*

£m	2018	2019	2020	
Net assets	252	290	301	Equity Basis
	240	289	292	Look Through basis
Turnover	296	368	398	Equity Basis
	460	447	432	Look Through basis
Pre-tax profit/(loss)	47	62	(7)	Equity Basis
	41	69	(5)	Look Through basis

TABLE 1 - TREND IN KEY PERFORMANCE INDICATORS FROM 2018 TO 2020

The full impact of the coronavirus pandemic on the group's business will not be known for some time. At the time of writing, lockdown constraints are just starting to ease and the hope is that this will not lead to a second wave of infection resulting in a reintroduction of much more stringent social restrictions. The main impact of the lockdown on the group's business to date has been that of delay. Delay to our building programme because of restrictions on staff and a shortage of some materials and delay to sales completions due to restrictions on movement of mortgage lenders' surveyors and of buyers themselves. Construction delays will clearly continue as social distancing measures will prevent us from operating at full staff capacity but, provided construction works are complete, there should be few further delays in the completion of sales. It remains to be seen, however, how the housing market will react in the longer term particularly with the expectation of significant increases in unemployment and the prospect of another recession.

The Galliard business model relies on a significant proportion of off-plan sales to underpin the financial viability of a development and, to date, sales activity has held up well, even at the height of the lockdown, but only time will tell if longer term problems will surface in the future.



New sites acquired during the year include those at Nine Elms in London, Uttoxeter, East Grinstead and Caldecotte in Milton Keynes.

CHART 1 – ANALYSIS OF GROUP SITE PORTFOLIO

Write-downs in property values at the very end of the year have skewed an otherwise consistant analysis of income and expenditure between 2019 and 2020:

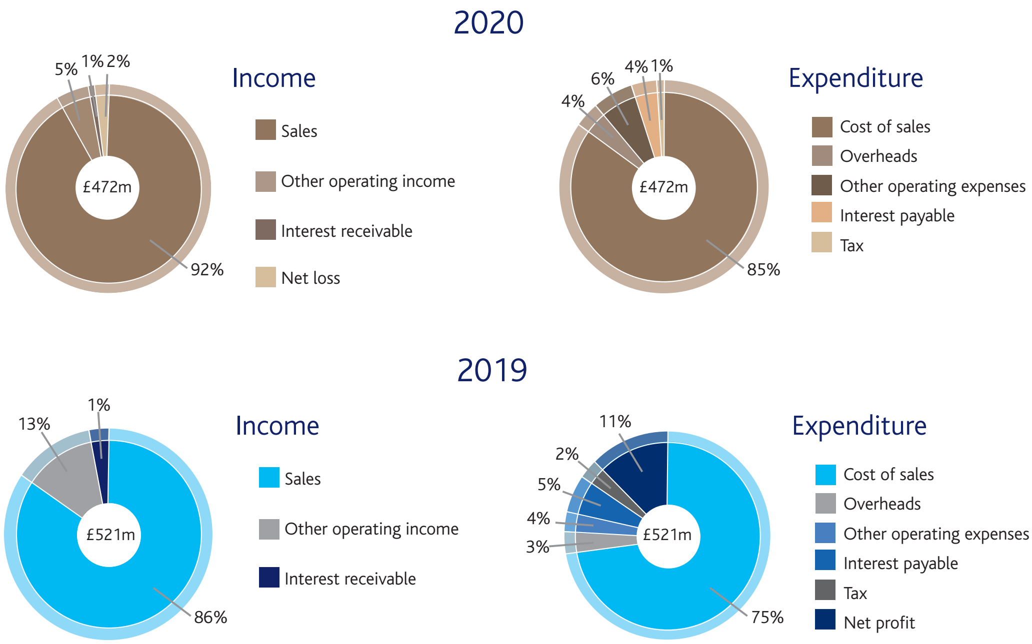


CHART 2 – COMPARISON OF INCOME AND EXPENDITURE ANALYSIS BETWEEN 2019 AND 2020 (LOOK THROUGH BASIS)

The number of unit completions during the year was fewer than the previous year resulting in a reduction in turnover. The major contributors are shown in the graph below which shows total sales for each development as well as the average selling price per unit which ranged from £171,000 to £904,000.

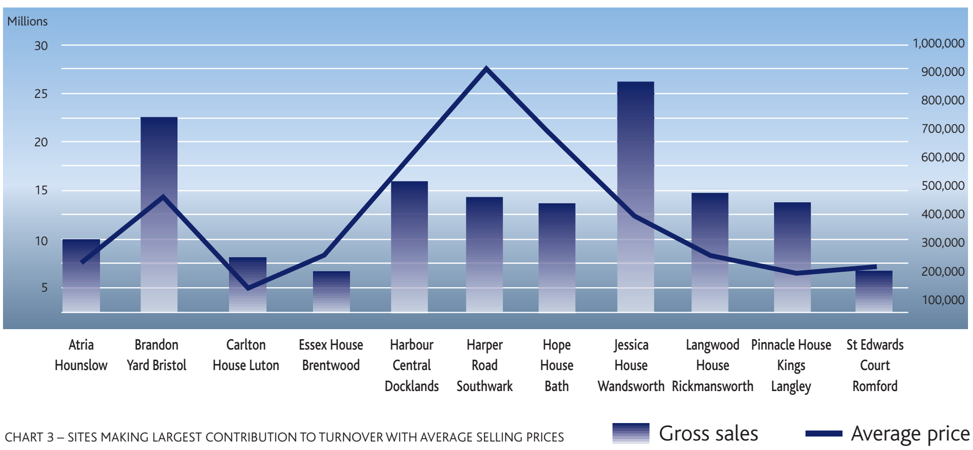


CHART 3 – SITES MAKING LARGEST CONTRIBUTION TO TURNOVER WITH AVERAGE SELLING PRICES

The split of profit between that earned by fully consolidated group companies and that earned by group companies treated as joint ventures should be ignored from an analytical perspective. The different accounting treatment has no operational significance and the unaudited look through results, which seek to equalise them, give a more meaningful representation of the group's trading performance.

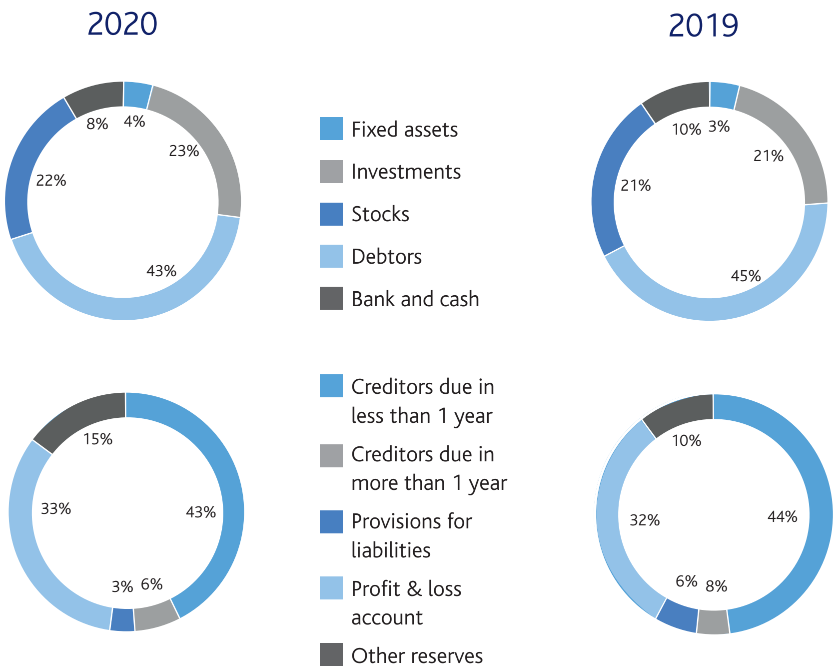


CHART 4 – RELATIVE PROPORTIONS OF ASSETS AND LIABILITIES

The above chart demonstrates the continued strengthening of the group balance sheet with 48% of the group's assets being held in reserves at 31 March 2020 compared to 42% a year earlier. The mix of both assets and liabilities has remained relatively constant over the year.

Tax strategy

As part of our continuing obligation to demonstrate a robust, transparent and effective tax strategy the following paragraphs set out Galliard's approach as it relates to taxation in the UK.

This satisfies the requirement to publish a tax strategy under UK legislation, specifically paragraph 16 (2) of Schedule 19 Finance Act 2016. The strategy has been approved by the group's board of directors and constitutes the group's UK tax strategy statement for the current financial period. This strategy relates to all UK entities in the group.

Risk management & government arrangements

Our overall aim is to achieve full compliance with all statutory obligations and UK tax regulations with full disclosure to HMRC.

The group's finance director has been nominated as Senior Accounting Officer ("SAO") and a significant amount of work is undertaken on a risk based approach each year with external advisors in relation to the SAO regime in order to ensure that appropriate tax accounting processes are both established and maintained. These processes are tested annually to ensure their efficacy or make improvements where necessary.

The board of directors has ultimate responsibility for the group's tax strategy and policies. The day–to–day tax affairs are controlled by the finance director who will delegate to other members of the finance team as appropriate. Where significant tax risks are identified, they are escalated to the board as ultimate arbiters.

Tax planning

The group's policy is to minimise tax cost whilst remaining within both legal requirements and accepted ethical standards.

Our tax affairs are managed in a proactive manner with the aim of maximising shareholder value. We seek to align all tax planning with our commercial strategy and tax is one of the several factors that is considered when making a business decision. Where there is uncertainty we will obtain third party advice in order to gain clarity or support for a particular stance or approach.

Level of acceptable tax risk

As with all aspects of our business model, we place a great deal of emphasis on the minimising of risk. So too, in relation to tax strategy, our objective is to ensure full compliance with all statutory obligations with the minimum of risk. We want to be recognised as an organisation with a low risk appetite in relation to UK taxation and so our tax affairs must be structured on sound commercial principles. Where possible we aim to be certain of the tax outcome prior to entering into any new transactions.

Dealings with HMRC

Our approach is to have an open, honest and positive working relationship with HM Revenue & Customs. Should any dispute arise between us with regard to the interpretation or application of tax law, we are committed to addressing the matter promptly and resolving it in as open and constructive a manner as possible.

Financial risk and treasury management

Liquidity

Liquidity risk is managed by:

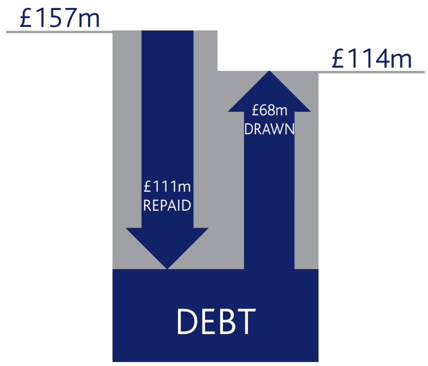
- the use of rolling cash flow forecasts so that remedial action can be taken in a timely fashion.
- the maintenance of appropriate committed banking facilities so that equity is preserved.
- ensuring facilities have adequate headroom to minimise the need for emergency funding.
- the continual monitoring of covenant compliance to avoid default penalties.
- the use of joint venture structures to access third party equity.
- the maintenance of excellent working relationships with our debt providers.

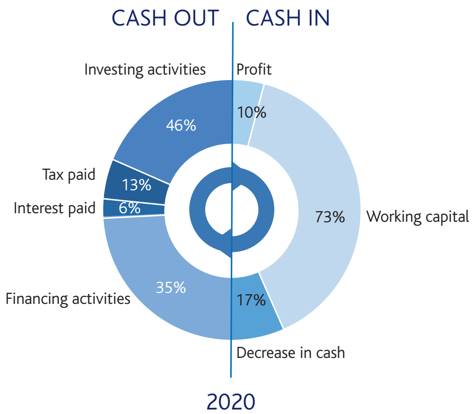
Interest rate risk

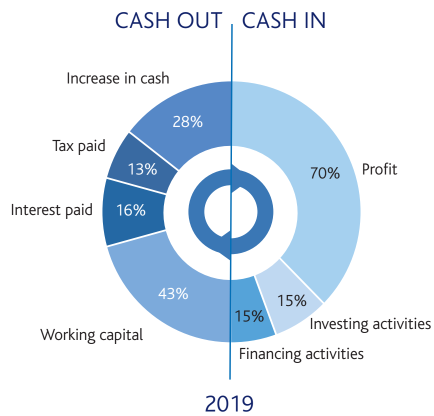
Interest rate risk is managed by:

- the use of appropriate hedging instruments.
- negotiating the most advantageous terms possible for new debt.
- the close monitoring of interest rate movements and trends.
- the maintenance of an efficient treasury resource.

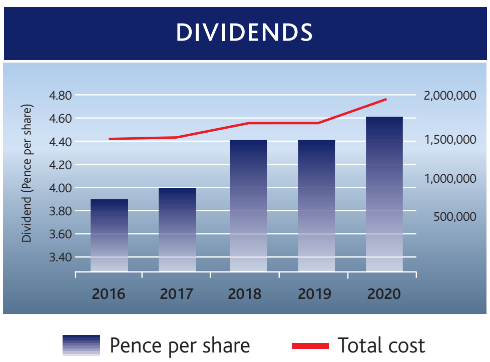
The group's debt decreased by £43m during the year. £111m (71%) of the opening debt was repaid and a further £68m was drawn to fund new site acquisitions and construction work. The majority of the debt is short-term, project related bank loans but, in addition to the debt discussed here, there are £43m of preference shares that, despite being technically repayable on demand, are considered to be long-term funding.







Cash balances have decreased by £16.6m during the year but debt has decreased by £43.2m. This reduction of £26.6m in net debt can be attributed largely to the issue of ordinary shares which raised £21.6m.



The dividend was increased by 5% to 4.62p per share (2019: 4.4p) in the year to 31 March 2020 representing a total cost of £1.89 million (2019: £1.65 million).

The financial statements on pages 50 to 77 have been prepared in accordance with Financial Reporting Standard 102. There have been no changes to the group's accounting policies during the year.

Approved by the board and
signed on its behalf

D O'Sullivan
Director
10 July 2020

Allan Porter
Group Finance Director
10 July 2020

Board of directors

Executive 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.

DON O'SULLIVAN
Chief Executive Officer

Don is a chartered civil engineer and joined Galliard in 2001. With 10 years of major UK contracting experience preceding his Galliard career, he initially worked in the construction part of the business, he was appointed managing director in 2012 and subsequently to the position of CEO. Don represents the business on external industry bodies and serves as a board director of Barretstown - part of the global charity the Serious Fun Childrens' Network.

JONATHAN MORGAN
Director of Investment & Developments

Jonathan, a property valuation and law MA graduate, joined Galliard in 2005 to strengthen the group's property investment team. Jonathan has amassed a wealth of experience in this field and has a key role in sourcing, appraising and negotiating the group's site acquisitions whilst also procuring finance for all group projects.

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.

Board of directors

Non-executive directors

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

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.

PATRICK SMITH
Non-executive Director

Patrick Smith is Director of Acquisitions at Frogmore Real Estate Partners who he joined in 1998. He is a Chartered Surveyor and brings 28 years of UK real estate experience to the board. Patrick started his career with Norwich Union, and joined King Sturge & Co. (now merged with JLL), as part of its National Investment Agency Team in 1990. In 1995, he moved to Moorfield Estates plc where he was responsible for acquisition and asset management of its UK property portfolio. Patrick is a member of The Royal Institution of Chartered Surveyors and the Investment Property Forum.

In addition to the above Mr Ching Chiat Kwong and Mr Low See Ching, both directors of Oxley Group, served as non-executive directors until 29 May 2020 when Oxley Group sold its shareholding.

Senior management team

ALLAN PORTER
Finance Director
and Company Secretary

Allan qualified as a chartered accountant in 1980 and spent ten years in the profession before joining a major quoted company where he progressed onto the main board. There followed a period of management consultancy before Allan joined Galliard in 1995 firstly as a consultant and latterly as finance director and company secretary.

DAVID GALMAN
Sales Director

David joined Galliard at its start in 1992 and has been selling real estate for over 35 years. He believes in knowing his product, knowing his market and knowing his customers and has built up an impressive portfolio of repeat buyers over the years.

AMANDA DIJK
Group Financial Controller

Amanda is a chartered accountant by training having received an LLB in law from Cardiff University. Her career has seen her work in practice followed by a period of time conducting Sarbanes-Oxley audits before taking up a position at the Old Vic theatre. Amanda joined Galliard in 2016 as group financial controller after 9 years as director of finance at London City Airport, playing a part in the successful sale of the airport for c£2bn.

DAVID HIRSCHFIELD
Legal Director

David joined Galliard in 2014 as legal director and leads all transactions from a legal and structural perspective. David was awarded the rising star award at the European Counsel Awards 2016 for in-house lawyers. Having obtained a history degree from the University of Birmingham and University of California, Los Angeles, David went on to study law at the College of Law, London. David trained and qualified as a corporate real estate lawyer at leading international magic circle firm Linklaters LLP before moving to Nabarro LLP.

ROBIN HAWKINS
Managing Director of Galliard Construction

During his 40 years in the industry Robin has accumulated a wealth of experience in a diverse range of building contracts. A civil engineer by training he has worked on the construction of power stations, bridges, hospitals, universities, schools, student accommodation and luxury hotels as well as major residential projects. Robin has been with Galliard for 15 years and has helped to develop a dedicated and loyal team within Galliard Construction where he currently serves as managing director.

MICHAEL J WATSON
Architectural & Technical Director

Michael Watson joined Galliard in 2005. Prior to this he had been involved with the delivery of Galliard projects since 1998. Michael has led a variety of major projects from inception to completion, encompassing both new build and refurbishment. He has extensive experience of working on bespoke residential buildings, particularly brownfield sites within the London area. He is skilled in the organisation and co-ordination of project teams, is highly versatile and enjoys the challenges of handling large projects on constrained sites with complex design and logistical issues.

DARREN MAGUIRE
Construction Director

With over 29 years' experience Darren has overseen a diverse portfolio of projects in Ireland, UK and the United States, ranging from large scale high rise residential developments, luxury hotels and bank headquarters to shopping and commercial centres. Prior to joining Galliard in 2014 Darren managed the construction activities for a number of leading contractors and private developers.

VICTORIA ANTHONY
Human Resources Director

A fellow of the Chartered Institute of Personnel and Development and Institute of Recruitment Professionals, and Specialist Paralegal practitioner with over 19 years in the profession, Victoria has worked across a range of different sectors for organisations including British Steel, Parker Hannifin, Nissan Motor Company, The Guardian Newspaper and Land Securities before joining Galliard in 2014. Passionate about improving the performance and capabilities of both people and organisations, Victoria has extensive experience of leading teams through business transformation and change management projects and is committed to working in partnership with both businesses and community stakeholders to drive forward education and employability initiatives.

PAUL SAMWAYS
Commercial Director of Galliard Construction

A Chartered Surveyor by profession, Paul has accumulated over 40 years' experience across a wide range of construction activities both in the UK and abroad. His experience in the residential sector covers the full spectrum of possibilities that includes large scale mixed use schemes as well as bespoke conversion and refurbishment projects across all tenures.

Prior to joining Galliard in 2017, Paul managed the commercial function for a number of leading private developers and contractors.

Statutory & regulatory information

Disclosure of information

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.

Share capital

Details of the company's issued share capital are shown in Note 24 to the financial statements on page 72. There have been no movements in the company's issued share capital during the year.

The company has a single class of share capital which is divided into ordinary shares of 0.01 pence each. All issued shares are in registered form and are fully paid.

Donations

Donations to charities during the year amounted to £284,000 (2019: £432,000). The group made no political donations during the year (2019 - £nil).

Going concern

The financial statements have been prepared on the basis that the company and group continues to be a going concern, as set out in Note 1 to the financial statements on page 57.

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 2020.

Auditor

In accordance with section 485 of the Companies Act 2006, a resolution proposing that BDO LLP be re-appointed as auditor of the company will be put to the Annual General Meeting.

Great Scotland Yard, *Westminster SW1*

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.

Development projects are funded on an individual basis from two main sources. In general, equity funding for any given project is spread across two or more joint venture partners thus reducing the group’s exposure in the event of unforeseen problems. Debt funding is project specific and, whenever possible, ring-fenced within the corporate vehicle used to undertake the development. Cash flow forecasts are prepared, maintained and monitored on a regular basis to ensure that adequate funding is always available to fulfil the group’s commitments.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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

D O’Sullivan
Director
10 July 2020

Report of the independent auditor

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

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 2020, 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 2020 and of the group's loss 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group or the Parent Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the 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.

Report of the independent auditor

Responsibilities of directors

As explained more fully in the statement of directors' 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.

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.

BDO LLP

Christopher Young (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
55 Baker Street
London
United Kingdom

Date 10 July 2020

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

Newham's Yard, *London SE1*

Consolidated income statement

for the year ended 31 March 2020

	Note	2020 £'000	2020 £'000	2019 £'000	2019 £'000
Turnover	3		398,013		367,926
Cost of sales			(371,551)		(337,348)
Gross profit			26,462		30,578
Overheads			(16,223)		(17,004)
Other operating income	6		18,204		20,726
Exceptional other income	6		-		20,800
Other operating expenses	7		(19,381)		(10,245)
Profit from the disposal of assets			1,115		5,338
Gains from fair value changes in investment properties	13		-		1,132
Group operating profit			10,177		51,325
Share of loss/(profit) in:					
- joint ventures	14	(8,364)		16,403	
- associates	14	(6,703)		(3,148)	
			(15,067)		13,255
Interest receivable and similar income	9		5,095		7,782
Interest payable and similar charges	10		(7,463)		(10,664)
Joint developers' share of losses/(profits)			146		(57)
(Loss)/profit on ordinary activities before taxation			(7,112)		61,641
Tax on (loss)/profit on ordinary activities	11		(4,963)		(5,832)
(Loss)/profit for the financial year			(12,075)		55,809

All amounts relate to continuing operations.

The notes on pages 57-77 form part of these financial statements.

Consolidated statement of comprehensive income

for the year ended 31 March 2020

	Note	2020 £'000	2019 £'000
(Loss)/profit for the financial year		(12,075)	55,809
Revaluation surplus of owner occupied properties	13	-	169
Deferred tax in respect of items of other comprehensive income		-	(29)
Other comprehensive income for the year		-	140
Total comprehensive (loss)/income for the year		(12,075)	55,949
(Loss)/profit for the financial year is attributable to:			
Owners of the parent company		(10,096)	57,353
Non-controlling interest		(1,979)	(1,544)
		(12,075)	55,809
Total comprehensive (loss)/income is attributable to:			
Owners of the parent company		(10,096)	57,493
Non-controlling interest		(1,979)	(1,544)
		(12,075)	55,949

The notes on pages 57-77 form part of these financial statements.

Consolidated balance sheet

as at 31 March 2020

	Note	2020 £'000	2020 £'000	2019 £'000	2019 £'000
Fixed assets					
Intangible assets – negative goodwill	12		(4,756)		(6,693)
Tangible fixed assets	13		29,854		29,409
Investments	14		139,938		145,006
Current assets					
Investments	15	299		707	
Stocks	16	254,987		310,117	
Debtors - due in less than one year	17	120,878		133,560	
- due in more than one year	18	7,000		13,980	
Cash at bank and in hand		50,591		67,181	
		433,755		525,545	
Creditors: amounts falling due within one year	19	(256,880)		(308,061)	
Net current assets			176,875		217,484
Total assets less current liabilities			341,911		385,206
Creditors due in more than one year	20		(26,249)		(53,941)
Provisions for liabilities	22		(14,658)		(41,432)
Net assets			301,004		289,833
Capital and reserves					
Called up share capital	24		4		4
Revaluation reserve			13,862		13,862
Share premium account			77,755		49,999
Warrant reserve	26		-		3,750
Profit and loss account			200,202		221,601
Equity attributable to owners of the parent company			291,823		289,216
Non-controlling interest			9,181		617
Shareholders' funds			301,004		289,833

The financial statements were approved by the Board and authorised for issue on 10 July 2020.

D O'Sullivan
Director

The notes on pages 57-77 form part of these financial statements.

Company balance sheet

as at 31 March 2020

	Note	2020 £'000	2020 £'000	2019 £'000	2019 £'000
Fixed assets					
Investments	14		113,345		113,345
Current assets					
Debtors - due in less than one year	17	256,392		238,990	
- due in more than one year	18	-		5,543	
Cash at bank and in hand		110		823	
		256,502		245,356	
Creditors: amounts falling due within one year	19	(43,021)		(43,032)	
Net current assets/(liabilities)			213,481		(202,324)
Total assets less current liabilities			326,826		315,669
Net assets			326,826		315,669
Capital and reserves					
Called up share capital	24		4		4
Share premium account			77,755		49,999
Merger reserve			1,288		1,812
Warrant reserve	26		-		3,750
Profit and loss account			247,779		260,104
Shareholders' funds			326,826		315,669

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 loss after taxation for the year amounted to £1,546,000 (2019 - £62,072,000).

The financial statements were approved by the Board and authorised for issue on 10 July 2020.

D O'Sullivan
Director

Company Registration No: 07947946

The notes on pages 57-77 form part of these financial statements.

Consolidated statement of changes in equity

as at 31 March 2020

	Share capital £'000	Revaluation reserve £'000	Share premium account £'000	Warrant reserve £'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 2019	4	13,862	49,999	3,750	221,601	289,216	617	289,833
Loss for the financial year	-	-	-	-	(10,096)	(10,096)	(1,979)	(12,075)
Total comprehensive loss for the year	-	-	-	-	(10,096)	(10,096)	(1,979)	(12,075)
Shares issued during the year	-	-	24,006	-	-	24,006	-	24,006
Shares repurchased during the year	-	-	-	-	(2,422)	(2,422)	-	(2,422)
Treasury shares	-	-	-	-	(8,890)	(8,890)	-	(8,890)
Capital contribution	-	-	-	-	1,898	1,898	-	1,898
Warrant exercised	-	-	3,750	(3,750)	-	-	-	-
Dividends paid	-	-	-	-	(1,889)	(1,889)	-	(1,889)
Total contributions by and distributions to owners	-	-	27,756	(3,750)	(11,303)	12,703	-	12,703
Issue of shares to non-controlling interests	-	-	-	-	-	-	11,236	11,236
Transfer from joint venture to subsidiary	-	-	-	-	-	-	(693)	(693)
Other reserve movements	-	-	-	-	-	-	10,543	10,543
Balance at 31 March 2020	4	13,862	77,755	-	200,202	291,823	9,181	301,004
Balance as at 1 April 2018	4	13,057	49,999	3,750	172,768	239,578	12,728	252,306
Profit for the financial year	-	-	-	-	57,353	57,353	(1,544)	55,809
Revaluation surplus of owner occupied properties	-	169	-	-	-	169	-	169
Deferred tax in respect of items of other comprehensive income	-	(29)	-	-	-	(29)	-	(29)
Other comprehensive income for the year	-	140	-	-	-	140	-	140
Total comprehensive income for the year	-	140	-	-	57,353	57,493	(1,544)	55,949
Transfer to revaluation reserve	-	665	-	-	(665)	-	-	-
Dividends paid	-	-	-	-	(1,650)	(1,650)	(16,772)	(18,422)
Total contributions by and distributions to owners	-	665	-	-	(2,315)	(1,650)	(16,772)	(18,422)
Acquisition of non-controlling interest	-	-	-	-	(6,205)	(6,205)	6,205	-
Other reserve movements	-	-	-	-	(6,205)	(6,205)	6,205	-
Balance at 31 March 2019	4	13,862	49,999	3,750	221,601	289,216	617	289,833

The notes on pages 57-77 form part of these financial statements.

Company statement of changes in equity

as at 31 March 2020

	Share capital £'000	Share premium account £'000	Merger reserve £'000	Warrant reserve £'000	Profit and loss account £'000	Total £'000
Balance at 1 April 2019	4	49,999	1,812	3,750	260,104	315,669
Comprehensive income for the financial year	-	-	-	-	(1,546)	(1,546)
Total comprehensive loss for the year	-	-	-	-	(1,546)	(1,546)
Contributions by and distributions to owners						
Shares issued during the year	-	24,006	-	-	-	24,006
Shares repurchased during the year	-	-	-	-	(2,422)	(2,422)
Treasury shares	-	-	-	-	(8,890)	(8,890)
Capital contribution	-	-	-	-	1,898	1,898
Warrant exercised	-	3,750	-	(3,750)	-	-
Merger reserve release	-	-	(524)	-	524	-
Dividends paid	-	-	-	-	(1,889)	(1,889)
Total contributions by and distributions to owners	-	27,756	(524)	(3,750)	(10,779)	12,703
Balance at 31 March 2020	4	77,755	1,288	-	247,779	326,826
Balance as at 1 April 2018	4	49,999	2,425	3,750	199,069	255,247
Total comprehensive income for the year	-	-	-	-	62,072	62,072
Contributions by and distributions to owners						
Merger reserve release	-	-	(613)	-	613	-
Dividends paid	-	-	-	-	(1,650)	(1,650)
Total contributions by and distributions to owners	-	-	(613)	-	(1,037)	(1,650)
Balance at 31 March 2019	4	49,999	1,812	3,750	260,104	315,669

Consolidated statement of cash flows

as at 31 March 2020

	Note	2020 £'000	2019 £'000
Cash flows from operating activities			
(Loss)/profit for the financial year		(12,075)	55,809
Adjustments for:			
Depreciation, impairment and amortisation of fixed assets and goodwill		707	(178)
Share of loss/(profit) for the year of equity accounted investments	14	15,067	(13,255)
Unrealised currency translation losses/(gains)		(4)	-
Net fair value gains recognised in profit or loss		-	(1,429)
Net interest payable		2,368	2,882
Taxation charge	11	4,963	5,832
Decrease in trade and other debtors		12,899	20,956
Decrease in stocks		93,356	43,763
Decrease in trade and other creditors		(31,501)	(92,001)
Decrease in provisions		(2,098)	(172)
Profit on disposal		(1,115)	(5,338)
Cash from operations		82,567	16,869
Interest paid		(5,919)	(9,888)
Taxation paid		(13,004)	(7,888))
Net cash generated from/(used in) operating activities		63,644	(907)
Cash flows from investing activities			
Proceeds from the sale of business assets		4	2,666
Purchases of tangible fixed assets		(652)	(677)
Interest received		2,442	2,526
Distributions received on fixed asset investments		137	20,090
Purchase of subsidiary undertakings		(13,908)	(1,255)
Net cash acquired with subsidiary undertaking		1,291	805
Capital repayments from fixed and current investments		5,360	12,296
Investment in fixed asset investments		(24,664)	(16,085)
Proceeds from the sale of fixed asset investments		4,019	-
Investment in other loans		(38,454)	(14,140)
Repayment of other loans		18,838	3,183
Net cash (used in)/generated from investing activities		(45,587)	9,409
Cash flows from financing activities			
Issue of ordinary share capital		21,584	-
Equity dividends paid		(1,889)	(1,122)
Equity dividends paid to non-controlling interests		-	(40)
Issue of shares to non-controlling interests		11,236	-
Bank and other loans drawn		67,612	76,952
Bank and other loans repaid		(107,333)	(55,433)
Net funds to joint developers		(25,857)	(11,153)
Net cash (used in)/generated from financing activities		(34,647)	9,204
Net (decrease)/increase in cash and cash equivalents		(16,590)	17,706
Cash and cash equivalents at the beginning of the year		67,181	49,475
Cash and cash equivalents at the end of the year		50,591	67,181
Cash and cash equivalents comprise:			
Cash at bank and in hand		50,591	67,181
		50,591	67,181

The notes on pages 57-77 form part of these financial statements.

Notes forming part of the financial statements

as at 31 March 2020

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 82 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 2020 the group had external debt with a value of £87,510,000 payable within twelve months.

Since the year-end £9,897,000 of the total debt above has been repaid either partially or in full out of post year-end sales proceeds. The remaining £77,613,000 is expected to be paid from sales proceeds and refinancing in the next 12 months. The group has developments with a gross development value of £55,816,000 which are expected to complete in the next 12 months, of which £8,295,000 of property has already been sold off-plan. Since the year-end a further £6,568,000 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 2020 had external debt with a gross value of £686,622,000, of which £155,435,000 is payable within twelve months. Since the year-end £70,379,000 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 £85,056,000 is expected to be paid from sales proceeds in the next 12 months. The group's joint ventures and associates have developments with a gross development value of £136,996,000 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. Whilst the COVID-19 pandemic has clearly had a negative impact on the results of the group for the current year it has not, in the opinion of the directors, had a materially adverse effect on the fundamentals underlying the stability of the business. The directors believe that the effects of the pandemic on the group will be short-term because of the strength of its balance sheet, the control it has over its cash resources, the continued support of the group to date by its bankers and the influence of overriding economic factors such as the continuing under-supply of housing in the UK. The effects that have been experienced to date have caused delays in both construction and selling activities but these have been addressed and corrective action taken to recover lost time as soon as practicable. Negative pressure on property values is reflected in the results for the year but, again, does not materially affect the long-term value of the group's assets. The directors are confident, given the gross value of sales post year-end and current demand for housing in the UK, that any delays to selling activities will be short-term. For these reasons the directors do not believe that the COVID-19 pandemic will have a materially adverse impact on 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.

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.

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 the revaluation 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 investment properties, 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.

1 Accounting policies (continued)

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.

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.

1 Accounting policies (continued)

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.

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.
- Warrant reserve represents amounts received on account pending exercise of a warrant to subscribe for additional shares in the company (see note 26).

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 16)

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 13)

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 14)

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 22)

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 22.

3 Turnover

All turnover derives from UK operations

	Group 2020 £'000	Group 2019 £'000
Turnover comprises:		
Amount from contracted construction work	**149,636**	182,821
Amount from the sale of residential property	**248,377**	185,105
Total	**398,013**	367,926

4 Employees

	Group 2020 £'000	Group 2019 £'000
Staff costs consist of:		
Wages and salaries	**27,762**	28,685
Social security costs	**3,322**	3,382
Other pension costs	**2,418**	1,982
Total	**33,502**	34,049

	Number	Number
The average number of employees, including directors during the year was:		
Construction	**246**	251
Sales	**50**	44
Administration	**128**	149
Total	**424**	444

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 £2,418,000 (2019 - £1,982,000).

5 Directors' emoluments

	2020 £'000	2019 £'000
Directors' remuneration consists of:		
Remuneration for qualifying services	**5,353**	4,288
Company pension contributions to defined contribution schemes	**151**	119
Total	**5,504**	4,407
Pension contributions accrue in respect of 4 directors.		
Highest paid director:		
Salary and other taxable benefits	**1,895**	1,725
Company pension contributions to defined contribution schemes	**19**	79
Total	**1,914**	1,804

Notes forming part of the financial statements

as at 31 March 2020

6 Other operating income

	Group 2020 £'000	Group 2019 £'000
Development management fees	5,062	5,720
Rental income	7,512	7,979
Commissions	211	629
Property management services	1,602	1,371
Forfeited deposits	489	1,086
Investment and other income	3,328	3,941
Total	18,204	20,726
Exceptional other income	-	20,800
Total	-	20,800

Exceptional other income of £20,800,000 received in the prior year comprised a facilitation fee from an external party in consideration for procuring the exercise of an option for a property sale in addition to nominating a third party purchaser to acquire the property in its place.

7 Other operating expenses

	Group 2020 £'000	Group 2019 £'000
Rental expenses	6,629	7,623
Hotel and leisure operations	-	332
Property management services	996	1,173
Impairment of related party and other debtors	11,954	1,289
Onerous lease provision	(198)	(172)
Total	19,381	10,245

8 Group operating profit

	2020 £'000	2019 £'000
This has been arrived at after charging:		
Depreciation - owned assets	202	223
Operating lease expense	1,621	2,171
Principal auditor's remuneration		
Audit (Company £21,432, 2019 - £21,012)	425	486
Taxation compliance and advisory services	375	428
Release of negative goodwill	(1,937)	(139)
Impairment of fixed asset investments	1,305	42
Impairment of stock	5,738	1,711

9 Interest receivable and similar income

	Group 2020 £'000	Group 2019 £'000
Bank interest	160	228
Other interest	4,935	7,554
Total	5,095	7,782

10 Interest payable and similar charges

	Group 2020 £'000	Group 2019 £'000
Bank loans	5,705	6,765
Other loans	3,851	2,556
Amortisation of issue costs	1,430	1,350
Preference dividend	2,150	2,150
Decrease in provisions for joint developer obligations	(5,673)	(2,157)
Total	7,463	10,664

Notes forming part of the financial statements

as at 31 March 2020

11 Tax on (loss)/profit from ordinary activities

	Group 2020 £'000	Group 2019 £'000
Corporation tax charge for the year	1,388	10,717
Current tax adjustment in respect of previous years	2,996	(1,766)
Total current tax charge for the year	4,384	8,951
Deferred tax charge/(credit) for the year	545	(253)
Deferred tax adjustment in respect of previous years	34	(2,866)
	4,963	5,832
Tax reconciliation:		
(Loss)/profit on ordinary activities before taxation	(7,112)	61,641
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	(1,350)	11,712
Effects of:		
Expenses not deductible for tax purposes	(1,689)	738
Adjustments to tax charge in respect of prior years	3,030	(1,766)
Share of joint venture losses/(profits)	2,410	(1,391)
Non taxable write back of negative goodwill	(368)	(211)
Different tax rates on deferred tax	298	-
Unrecognised deferred tax	4,563	(637)
Recognised deferred tax	-	(3,119)
Indexation on chargeable gains	(3,205)	-
Other movements	1,274	506
Total tax charge for the year	4,963	5,832

The deferred tax charge relating to items recognised in other comprehensive income is a charge of £nil (2019 - £29,000).

12 Intangible assets

Negative goodwill	Group 2020 £'000	Group 2019 £'000
Cost		
At 1 April	(6,693)	(7,805)
Realised in profit and loss account	1,937	1,112
At 31 March	(4,756)	(6,693)

13 Tangible fixed assets

Group	Property £'000	Fixtures and equipment £'000	Motor vehicles £'000	Total £'000
Cost or valuation				
At 1 April 2019	28,879	2,836	826	32,541
Additions	331	100	221	652
Acquisition of subsidiary	-	23	-	23
Disposals	-	-	(77)	(77)
At 31 March 2020	**29,210**	**2,959**	**970**	**33,139**
Depreciation				
At 1 April 2019	-	2,726	406	3,132
Acquisition of subsidiary	-	19	-	19
Charge for the year	-	44	158	202
Disposals	-	-	(68)	(68)
At 31 March 2020	**-**	**2,789**	**496**	**3,285**
Net book value				
At 31 March 2020	**29,210**	**170**	**474**	**29,854**
At 31 March 2019	28,879	110	420	29,409

Property	Investment property £'000	Owner occupied property £'000	Long leasehold property £'000	Total £'000
Cost or valuation				
At 1 April 2019	24,012	4,367	500	28,879
Additions	331	-	-	331
Transfer to owner occupied	(99)	99	-	-
At 31 March 2020	**24,244**	**4,466**	**500**	**29,210**
Net book value				
At 31 March 2020	**24,244**	**4,466**	**500**	**29,210**
At 31 March 2019	24,012	4,367	500	28,879

Valuation

The group's investment properties, including owner-occupied property, were valued by the directors as at 31 March 2020. In their opinion, the fair market value was £28,710,000 (2019 - £28,379,000) as compared to a historical cost of £12,511,000 (2019 - £12,179,000).

14 Investments

Fixed asset investments

Group	Joint ventures £'000	Associated undertakings £'000	Other fixed asset investments £'000	Total £'000
Cost or valuation				
At 1 April 2019	89,863	59,340	3,626	152,829
Additions	23,905	756	3	24,664
Return of investment funding	(4,372)	(402)	(586)	(5,360)
Disposals	-	(3,597)	-	(3,597)
Transfer to subsidiary	(3,654)	-	-	(3,654)
Reclassified (to)/from other assets	981	(522)	1,281	1,740
Impairments	(1,305)	-	-	(1,305)
At 31 March 2020	**105,418**	**55,575**	**4,324**	**165,317**
Share of retained profits				
At 1 April 2019	(693)	(7,130)	-	(7,823)
Total comprehensive income for the year	(8,364)	(6,703)	-	(15,067)
Amounts distributed	(137)	-	-	(137)
Disposals	-	738	-	738
Transfer to subsidiary	(3,090)	-	-	(3,090)
At 31 March 2020	**(12,284)**	**(13,095)**	**-**	**(25,379)**
Net book value				
At 31 March 2020	**93,134**	**42,480**	**4,324**	**139,938**
At 31 March 2019	89,170	52,210	3,626	145,006

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

Certain receivables from joint venture undertakings have been reclassified from related party debtors (£981,000) to fixed asset investments and certain other receivables from associated undertakings (£522,000) have been transferred from fixed asset investments to related party debtors depending on the nature of their settlement. Other debtors deemed long-term in nature have been reclassified to other fixed asset investments (£1,281,000).

Fixed asset investments

Company	Subsidiary undertakings £'000	Joint ventures £'000	Total £'000
Cost			
At 1 April 2019 and 31 March 2020	**88,978**	**24,367**	**113,345**

A complete list of the company's subsidiary undertakings can be found in note 33 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.

15 Current asset investments

	Group £'000	Company £'000
At 1 April 2019	707	-
Transfer to subsidiary	(50)	-
Impairment reversal	(358)	-
At 31 March 2020	299	-

16 Stocks

	Group 2020 £'000	Group 2019 £'000
Development properties held in work in progress	254,987	310,117
Total	254,987	310,117

Stock recognised in cost of sales during the year as an expense was £189,556,000 (2019 - £129,730,000).

Impairment losses of £5,738,000 (2019 - £1,711,000) were recognised in cost of sales against stock during the year due to market conditions.

Total stock held as security against loans was £160,342,000 (2019 - £229,125,000).

17 Debtors due in less than one year

	Group 2020 £'000	Group 2019 £'000	Company 2020 £'000	Company 2019 £'000
Trade debtors	9,690	20,831	-	-
Amounts owed by subsidiaries	-	-	252,067	237,700
Amounts owed by related companies	36,354	43,758	-	-
Loans receivable	13,659	18,865	1,315	1,273
Amounts due in respect of joint developments	3,620	2,883	-	-
Corporation tax	2,791	-	-	-
Prepayments and accrued income	22,176	21,136	-	16
Other debtors	32,588	26,087	3,010	1
Total	120,878	133,560	256,392	238,990

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

18 Debtors due in more than one year

	Group 2020 £'000	Group 2019 £'000	Company 2020 £'000	Company 2019 £'000
Loans receivable	7,000	13,980	-	5,543

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%.

19 Creditors: amounts falling due within one year

	Group 2020 £'000	Group 2019 £'000	Company 2020 £'000	Company 2019 £'000
Loans and overdrafts	87,510	103,026	-	-
Trade creditors	26,180	20,149	-	11
Amounts owed to related companies	19,927	18,158	-	-
Amounts due in respect of joint developments	28,071	26,464	-	-
Corporation tax	-	5,761	-	-
Other tax and social security	1,654	1,748	-	-
Other creditors	23,149	37,814	-	-
Deferred tax (note 23)	1,998	1,419	-	-
Accruals and deferred income	25,391	50,522	21	21
Preference shares	43,000	43,000	43,000	43,000
Total	256,880	308,061	43,021	43,032

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 £21,526,000 on which interest is charged at rates between 1.8% and 7.0%. Interest rates paid on all other loans are based on LIBOR 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 19 to 21 are the following amounts for both group and company in respect of nominal value and accrued dividend to 31 March 2020:

	2020 £'000	2019 £'000
Creditors falling due within one year		
Nominal value	43,000	43,000
Total	43,000	43,000

20 Creditors: amounts falling due after more than one year

	Group 2020 £'000	Group 2019 £'000	Company 2020 £'000	Company 2019 £'000
Bank and other loans	**26,249**	53,941	**-**	-
Bank, other loans and preferences shares due: in one year or less, or on demand	**130,510**	146,026	**43,000**	43,000
Between one and two years	**21,223**	48,477	**-**	-
Between two and five years	**1,039**	5,142	**-**	-
Over five years	**3,987**	322	**-**	-
Total	**26,249**	53,941	**-**	-

Bank loans are shown net of issue costs of £721,000 (2019 - £1,631,000). 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.

21 Financial instruments

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

	Group 2020 £'000	Group 2019 £'000	Company 2020 £'000	Company 2019 £'000
Financial assets				
Financial assets measured at amortised cost	**165,091**	204,267	**256,502**	245,356
Financial liabilities				
Financial liabilities measured at amortised cost	**265,053**	322,051	**43,021**	43,032

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.

22 Provisions for liabilities

	Group 2020 £'000	Group 2019 £'000
Provisions for liabilities and charges comprises:		
Provisions for joint developer obligations	7,632	28,307
Other provisions	7,026	13,125
	14,658	41,432
Movement in provisions:		
At 1 April	41,432	44,416
Provisions created	1,591	12,218
Provisions utilised	(19,003)	(4,656)
Provisions released	(9,362)	(10,546)
At 31 March	14,658	41,432

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.

Other provisions include onerous leases on group properties and legal costs relating to the disposal of an interest in an overseas venture. Payments relating to the onerous lease are expected to continue until April 2032. The timing of settlement of the legal costs provided is uncertain.

23 Deferred taxation

The deferred tax liability is as follows:

	Group 2020 £'000	Group 2019 £'000
Business combinations	129	67
Property revaluations	2,094	2,094
Unrealised intra-group profits	(426)	(572)
Other timing differences	201	(170)
	1,998	1,419

24 Called up share capital

	2020 £'000	2019 £'000
Authorised		
40,879,167 ordinary shares of £0.0001 each (2019 - 37,500,000)	4	4
	4	4
Called up, allotted and fully paid		
40,879,167 ordinary shares of £0.0001 each	4	4
	4	4

On 23 October 2019 the company issued 4,166,667 ordinary shares of £0.0001 each to CI GGL Limited (see note 26 for details). On 20 November 2019 the company repurchased 787,500 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.

25 Dividends

	2020 £'000	2019 £'000
Ordinary shares		
Dividend of 4.62 pence per share (2019 – 4.4 pence per share)	**1,889**	1,650
At 31 March	**1,889**	1,650

On 18 December 2019 a dividend of 4.62 pence per share was paid to the holders of the ordinary shares in the company.

26 Warrant reserve

	2020 £'000	2019 £'000
At 1 April	**3,750**	**3,750**
Warrant excercised	**(3,750)**	-
At 31 March	-	**3,750**

Under the terms of an agreement between Galliard and CH Capital A Holdings LLC ("Cain International") to enter into a joint venture arrangement for future redevelopment opportunities, a warrant to subscribe for additional shares representing 10% of the enlarged share capital of Galliard Group Ltd was issued to Cain International on 1 December 2014. Following the issue of additional ordinary shares to Oxley Bright Pte Limited in July 2015 the period within which this warrant could be exercised and the number of shares exercisable were both amended. On 30 March 2018 in return for an immediate payment of £3,750,000 on account of the total subscription price, a further extension to the expiry date was granted. The warrant was exercised by Cain International on 27 September 2019. The subscription price, adjusted in accordance with the terms of the warrant instrument, was £27,755,794, which includes the £3,750,000 released from the warrant reserve. Payment was received and the shares issued to a Cain International group company on 23 October 2019.

27 Contingent liabilities

	Group 2020 £'000	Group 2019 £'000
Planning overage	**4,335**	5,512

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 £8,335,000 (2019 - £9,512,000).

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

28 Lease obligations

As lessee

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

	Group 2020 £'000	Group 2019 £'000
Operating leases which expire:		
Not later than 1 year	**1,209**	1,212
Later than 1 year and not later than 5 years	**5,126**	5,029
Later than 5 years	**9,673**	10,979
Total	**16,008**	17,220

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

28 Lease obligations (continued)

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 2020 £'000	Group 2019* £'000
Not later than 1 year	**2,732**	2,538
Later than 1 year and not later than 5 years	**7,605**	8,979
Later than 5 years	**471,777**	471,713
Total	**482,114**	483,230

The company had no amounts receivable under non-cancellable operating leases as at the balance sheet date.
* The comparative has been restated to include ground rents under non-cancellable leases.

29 Capital commitments

There were no capital commitments at the year-end (2019 - £nil).

30 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 2020 £'000	Group 2019 £'000	Company 2020 £'000	Company 2019 £'000
	58,263	105,142	**55,763**	101,247

The group's guarantees are stated net of counter guarantees provided by certain joint venture partners of £109,774,000 (2019 - £72,150,000). Company - £107,274,000 (2019 - £69,650,000).

31 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.

	2020 £'000	2019 £'000
Details of the outstanding balances are:		
Lancelot Management Limited	**191**	191
Real Estate Investment & Trading Limited	**1,405**	1,317
Handspan Limited	**5,461**	5,343
Galliard Trading Limited	**374**	-
	7,431	6,851

During the year, Galliard Trading Limited and Reflex Bridging Limited, which were consolidated subsidiaries of the group, were transferred from the group to a company controlled by Mr S S Conway. Balances between Reflex Bridging Limited and the group at the balance sheet date comprise loans from the group of £2,027,000 bearing interest at rates between 8% and 11.5% and loans to the group of £5,825,000 bearing interest at rates between 10% and 12%

Amounts due in respect of properties owned by Mr S S Conway totalled £205,000 (2019 - £205,000).

31 Related party transactions (continued)

During the year the group repaid a loan owing to Plotplan Limited, a company controlled by Mr R M Conway and Mr D E Conway, of £2,171,000. The purpose of the loan was to assist the acquisition of a development site. Interest was charged on the loan at 15% per annum. During the year a further loan was provided by Plotplan Limited to the group of £4,472,000 to assist with working capital in respect of another development site. Interest is charged on the loan at 8% and the loan is repayable on demand. An additional balance of £1,914,000 (2019 - £7,686,000) is outstanding and owing to Plotplan Limited which does not carry interest and for which there are no formal terms of repayment.

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 (2019 - £8,000), an outstanding balance owing from Pointstart Limited, a company controlled by Mr D E Conway, of £2,000 (2019 - £33,000) 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 (2019 - £58,000). The balances do not carry interest nor are there any 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 £4,155,000 (2019 - £7,206,000). During the year £1,801,000 was repaid and £1,480,000 was transferred outside the group. Interest was charged during the year on loan principals totalling £5,283,000 (2019 - £5,283,000) at rates between 8% and 10% (2019 - £8% and 12%).

The following loan balances were due (to)/from directors of the group as at 31 March 2020:

	At 1 April 2019 £	Movement in year 2020 £	At 31 March 2020 £	Highest sum outstanding during year £
Mr S S Conway	(3,649,000)	2,131,000	(1,518,000)	(3,649,000)
Mr D O'Sullivan	475,000	3,023,000	3,498,000	3,498,000
Mr D E Conway	184,000	14,000	198,000	198,000
Mr G A Conway	4,000	(4,000)	-	-
Mr R M Conway	179,000	(143,000)	36,000	179,000
Mr J M Morgan	38,000	1,000	39,000	39,000
Mr M W Watson	(1,000)	1,000	-	(1,000)

During the year the company paid £972,000 (2019 - £1,320,000) in dividends to directors who are also shareholders.
During the year the directors claimed a total of £21,179 (2019 - £11,380) 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 in respect of these individuals is £5,504,000 (2019 - £4,407,000).

Joint venture and associated companies

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

	Group 2020 £'000	Group 2019 £'000
Net sales of goods and services	**129,480**	140,242
	129,480	140,242

A total amount of £134,213,000 (2019 - £149,246,000) was due from joint ventures and associated undertakings. The amounts are included in the consolidated balance sheet.

32 Ultimate controlling party

In the opinion of the directors the ultimate controlling party is Stephen Conway.

Notes forming part of the financial statements

as at 31 March 2020

33 Subsidiary undertakings, associates and joint ventures

Subsidiary undertakings	% Held	
581 & 581B Kenton Lane Limited	100%	*
Acorn & GH (RF) Limited	50%	*
Acorn (Chillington) Limited	50%	*
Arches Southall 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%	*
Bonfire Hill Development Company Limited	100%	*
Bourne Court Properties Limited	100%	*
Brentwood Developments Limited	50%	*
Britannia Sports and Leisure Partnership Limited	100%	*
Carlton House Developments Limited	100%	*
Calverley Court Limited (Jersey)	50%	*
Chiltern Court Properties Limited	100%	*
Choicetime Limited	100%	*
Cornish Resorts Limited	100%	*
Cygnet Street Developments Limited	100%	*
Derby Terrace Limited	100%	*
Diverse (S&L) No.3 Limited (Jersey)	100%	*
Drayton Park Developments Limited	100%	*
Dunford Court Management Limited	100%	*
Evolve (Colchester) Limited	50%	*
Erinlink Limited	100%	*
Felcon Blackheath Limited	75%	*
Fieldfind Limited	100%	*
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 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 Resorts Limited	100%	*
Galliard (Strand) Limited	100%	*
GH/AH Bear Lane Limited	50%	*
GHL (Bath) Limited	100%	*
GHL (BPC) Limited	100%	*
GHL (Bedminster Bristol) Limited	100%	*
GHL (Berkhamsted) Limited	100%	*
GHL (Bristol) Limited	100%	*
GHL (Chigwell) Limited	100%	*
GHL (CLG) Limited	100%	*
GHL (Cornish Resorts) 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 (Lisburn NI) Limited	100%	*
GHL (Mallorca West) Limited	100%	*
GHL (Merrick Road) Limited	100%	*
GHL (Moxon St) Limited	50%	*
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 (Summerstown) Limited	100%	*
GHL (TCRW) Limited	100%	*
GHL (Trinity Square) Limited	100%	*
GHL (Witham) Developments Ltd	100%	*
GHL (WIE) Limited	100%	*
GHL Trinity Square LP	100%	*
GHL Trinity Square GP Limited	100%	*
Gladstone Court Developments Limited	100%	*
Gladstone Holdings Limited	100%	*
Goldenmill Limited	99%	*
Goodmayes 40 Limited	100%	*
GSY Operations Limited	100%	*
Harley House Investments Limited	100%	*
Haywards Heath Developments Limited	100%	*
Heartpride Limited	33%	*
Heatpoint Limited	50%	*
Highfield House (Southampton) Management Limited	100%	*
Honiton Developments Limited	100%	*
Iconshield Limited	100%	*
Innerdeal Limited	100%	*
Isle Of Dogs Developments Limited	100%	*
Isle Of Dogs Developments 2 Limited	100%	*
Jewelside Limited	100%	*
Kewdeal Limited	67%	*
Kilmorie Investments LLP	100%	*
Kilmorie Properties Limited	100%	*
Lastzone Limited	100%	*
Leonardo Investments Limited	100%	*
Limetown Limited	49.5%	*
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	49.5%	*
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%	*
Property Management Matters Limited	80%	*
Quickdrop Limited	100%	*
Red Lion Court Developments Limited	100%	*
Raphael Investments Limited	100%	*
Retallack Construction Limited	100%	*
Retallack Holiday Limited	100%	*
Retallack Owners Management Company Limited	100%	*
Retallack Property Developments Limited	100%	*
Retallack Surfpods Limited	100%	*
Ricksave Limited	100%	*
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%	*
Soho Loop Limited	50%	*
South City Court Limited	100%	*
St Edwards Court (Romford) Limited	100%	*
Summerhill Birmingham Limited	50%	*
Swingdeal Limited	100%	*
Tallack Road Developments Limited	100%	*
Thames Farm Developments Limited	100%	*
The Property Club Holdings Limited	100%	#
Thorney Leys Developments Limited	100%	*
Vinelodge Limited	100%	*
Vitalcharm Limited	100%	*
Wapping Riverside Limited	100%	*
Western Spirit Glade Limited	100%	*
Western Spirit Limited	33%	*
Windora Limited	49.4%	*
Workout Limited	100%	*
Yalecove Limited	100%	*
Yasfind Limited	100%	*
Zerodown Limited	100%	*
Zesthouse 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%	*
Dalton Properties Limited	60%	*
Evolve (Milton Keynes) Limited	50%	*
FGA Developments Limited	50%	*
Finchley Road (Smiths) Limited	50%	*
Findmark Limited	67%	*
Galliard Caldecotte Holdco Limited	33%	*
Galliard Caldecotte Limited	33%	*
GDL Holdco Limited	50%	#
GHL (Carlow) Limited	33%	*
GHL (Crescent Lane) Limited	50%	*
GHL (Eagle Wharf Rd) Limited	20%	*
GHL (Hackney Wick) Limited	100%	*
GHL (Portobello Road) Limited	50%	*
GHL (Watford) Limited	50%	*
GHL Chiltern Street Limited	60%	*
Goodmayes 19 Limited	50%	*
Hope House (Bath) Limited	50%	*
Kelsworth Limited	33%	*
Life At Limited	50%	*
M Street Ipswich LLP	50%	*
Markhome Limited	50%	*
Maxillia Properties Limited	50%	*
McGrath Bros. Waste Control (Hackney) Limited	100%	*
Merton Acquisitions Limited	50%	*
Millharbour LLP	100%	*
Millharbour 2 LLP	100%	*
New Road (Crouch End) Limited	50%	*
Pentire Pavilions Limited	50%	*
Perranporth Developments Limited	50%	*
Pershore Street Limited	25%	*
Ridgeton Limited	67%	*
Romney House Developments Limited	50%	*
RST GH Limited	50%	*
Signature Resorts (UK) Limited	71%	*
Stamford Hounslow Limited	30%	*
Stratford High Street Ventures Limited	50%	*
Stratford High Street Limited	50%	*
Summerhill Birmingham Limited	50%	*
Stratford High Street Limited	50%	*
The Cut Developments Limited	50%	*
Vasthouse Limited	30%	*

Associates		
37-41 Mortimer Street LLP	16%	*
CH Galliard (Courchevel PW) LLP	50%	*
Chester Real Estate Limited	50%	*
Driftpoint Limited	40%	*
Galliard Estates Limited	50%	*
Kingsbridge Property Developments Limited	33%	*
One Lusty Glaze Limited	25%	*
South Audley Street LLP	50%	*
The Stage Shoreditch LLP	16%	*
Yolkstone Limited	25%	*

directly held
* indirectly held

All subsidiary undertakings, associates and joint ventures are incorporated in the UK, unless otherwise stated.

33 Subsidiary undertakings, associates and joint ventures (continued)

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

Calverley Court Limited	28-30 The Parade, St Helier, Jersey, Channel Islands, JE1 1EQ
Darkjet Limited	Lynton House, 7-12 Tavistock Square, London, WC1H 9BQ
Diverse (S&L) No.3 Limited	3rd Floor, One The Esplanade, St Helier, Jersey, JE2 3QA
Giantview Limited	Dockmaster's House, 1 Hertsmere Road, London, E14 8JJ
Hollybase Limited	Dockmaster's House, 1 Hertsmere Road, London, E14 8JJ
Stamford Hounslow Limited	3rd Floor, Paternoster House, 65 St Paul's Churchyard, London, EC4M 8AB
Life At Limited	Regina House, 124 Finchley Road, London, NW3 5JS
Pentire Pavilions Limited	Bridge House, 4 Borough High Street, London, SE1 9QR
Romney House Developments Limited	11-15 Wigmore Street, London, W1A 2JZ
Ailsa Wharf Developments Limited	119 High Street, Loughton, Essex IG10 4LT
Hope House (Bath) Limited	Bridge House 4 Borough High Street, London, SE1 9QR
New Road (Crouch End) Limited	Bridge House 4 Borough High Street, London, SE1 9QR
RST GH Limited	Bridge House 4 Borough High Street, London, SE1 9QR
The Cut Developments Limited	Bridge House 4 Borough High Street, London, SE1 9QR
Acorn (Trinity Square) Limited	Bridge House 4 Borough High Street, London, SE1 9QR
Drayton Park Developments Limited	11-15 Wigmore Street, London, WIA 2JZ
GHL (Eagle Wharf Rd) Limited	28 Manchester Street, London, W1U 7LF
Markhome Limited	50 Lancaster Road, Enfield, Middlesex, EN2 0BY
One Lusty Glaze Limited	Bridge House, 4 Borough High Street, London, SE1 9QR
37-41 Mortimer Street LLP	33 Davies Street, London, W1K 4LR
Vasthouse Limited	28 Manchester Street, London, W1U 7LF
Orchid Capital (PCC) Limited	Mont Crevelt House, Bulwer Avenue, St. Sampson, Guernsey, GY2 4LH
Shanghai LeJia Real Estate Consultant Co., Ltd	Room 2705, Block 2 of Office Building, No. 1539, Nanjing West Road, Jing'an District, Shanghai
Across World UK Limited	Circle Line House 8 East Road, Harlow, Essex, CM20 2BJ
Citiglen Limited	9, H&E House, East Road, Harlow, Essex, CM20 2BJ

Look through results (unaudited)

as at 31 March 2020

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 2020						
Turnover	**398,013**	**(37,230)**	**95,099**	**-**	**(23,450)**	**432,432**
- Construction	*149,636*	*(37,230)*	*-*	*-*	*-*	*112,406*
- Developments	*248,377*	*-*	*95,099*	*-*	*(23,450)*	*320,026*
Cost of sales	**(371,551)**	**45,313**	**(91,902)**	**(5,250)**	**24,881**	**(398,509)**
- Construction	*(160,486)*	*37,230*	*-*	*-*	*-*	*(123,256)*
- Developments	*(211,065)*	*8,083*	*(91,902)*	*(5,250)*	*24,881*	*(275,253)*
Gross profit	**26,462**	**8,083**	**3,197**	**(5,250)**	**1,431**	**33,923**
- Construction	*(10,850)*	*-*	*-*	*-*	*-*	*(10,850)*
- Developments	*37,312*	*8,083*	*3,197*	*(5,250)*	*1,431*	*44,773*
Overheads	(16,223)	-	(2,973)	(149)	51	(19,294)
Other operating income	18,204	(8,083)	10,776	1,391	(1,436)	20,852
Other operating expenses	(19,381)	-	(8,694)	(593)	902	(27,766)
Profit from the disposal of assets	1,115	-	948	-	-	2,063
Gains from fair value changes in investment properties	-	-	-	-	-	-
Group operating profit	**10,177**	**-**	**3,254**	**(4,601)**	**948**	**9,778**
Share of profit/(loss) in:						
Joint ventures	(8,364)	8,364	-	-	-	-
Associates	(6,703)	6,703	-	-	-	-
	(15,067)	**15,067**	**-**	**-**	**-**	**-**
Interest receivable and similar income	5,095	-	2	863	(7)	5,953
Interest payable and similar charges	(7,463)	-	(12,218)	(2,736)	1,091	(21,326)
Joint developers' share of losses	146	-	-	-	-	146
(Loss)/profit on ordinary activities before taxation	**(7,112)**	**15,067**	**(8,962)**	**(6,474)**	**2,032**	**(5,449)**
Tax on (loss)/profit on ordinary activities	(4,963)	-	598	(229)	(53)	(4,647)
(Loss)/profit for the financial year	**(12,075)**	**15,067**	**(8,364)**	**(6,703)**	**1,979**	**(10,096)**
Non-controlling interests	1,979	-	-	-	(1,979)	-
Profit for the financial year attributable to owners of the parent	**(10,096)**	**15,067**	**(8,364)**	**(6,703)**	**-**	**(10,096)**
Gross profit margin	**6.6%**		**3.4%**			**7.8%**
- Construction	*0.0%*		*0.0%*			*0.0%*
- Developments	*15.0%*		*3.4%*			*14.0%*
Operating margin	**2.6%**		**3.4%**			**2.3%**

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 2019						
Turnover	**367,926**	**(57,266)**	**139,018**	**-**	**(2,948)**	**446,730**
- Construction	*182,821*	*(57,266)*	*-*	*-*	*-*	*125,555*
- Developments	*185,105*	*-*	*139,018*	*-*	*(2,948)*	*321,175*
Cost of sales	**(337,348)**	**57,266**	**(110,864)**	**-**	**3,259**	**(387,687)**
- Construction	*(166,437)*	*57,266*	*-*	*-*	*-*	*(109,171)*
- Developments	*(170,911)*	*-*	*(110,864)*	*-*	*3,259*	*(278,516)*
Gross profit	**30,578**	**-**	**28,154**	**-**	**311**	**59,043**
- Construction	*16,384*	*-*	*-*	*-*	*-*	*16,384*
- Developments	*14,194*	*-*	*28,154*	*-*	*311*	*42,659*
Overheads	(17,004)	2,172	(3,335)	(21)	48	(18,140)
Other operating income	20,726	(2,172)	21,268	733	(456)	40,099
Exceptional other income	20,80	-	-	-	-	20,800
Other operating expenses	(10,245)	-	(8,526)	(1,225)	802	(19,194)
Profit from the sale of fixed assets	5,338	-	-	-	(2)	5,336
Gains from fair value changes in investment properties	1,132	-	-	-	-	1,132
Group operating profit	**51,325**	**-**	**37,561**	**(513)**	**703**	**89,076**
Share of profit/(loss) in:						
Joint ventures	16,403	(16,403)	-	-	-	-
Associates	(3,148)	3,148	-	-	-	-
	13,255	**(13,255)**	-	-	-	-
Interest receivable and similar income	7,782	(3,482)	2 ,004	864	(79)	7,089
Interest payable and similar charges	(10,664)	3,482	(15,082)	(3,391)	544	(25,111)
Joint developers' share of profits	(57)	-	(1,527)	-	-	(1,584)
Profit on ordinary activities before taxation	**61,641**	**(13,255)**	**22,956**	**(3,040)**	**1,168**	**69,470**
Tax on profit on ordinary activities	(5,832)	-	(6,553)	(108)	376	(12,117)
(Loss)/profit for the financial year	**55,809**	**(13,255)**	**16,403**	**(3,148)**	**1,544**	**57,353**
Non-controlling interests	1,544	-	-	-	(1,544)	-
Profit for the financial year attributable to owners of the parent	**57,353**	**(13,255)**	**16,403**	**(3,148)**	**-**	**57,353**

Gross profit margin	**8.3%**		**20.3%**			**13.2%**
- Construction	*9.0%*		*0.0%*			*13.0%*
- Developments	*7.7%*		*20.3%*			*13.3%*
Operating margin	**13.9%**		**27.0%**			**19.9%**

Look through results (unaudited)

as at 31 March 2020

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 2020	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	(4,756)	-	-	-	-	(4,756)
Intangible assets - other	-	-	-	-	-	-
Tangible fixed assets	29,854	-	735	-	-	30,589
Fixed asset investments	139,938	(135,614)	18,718	279	-	23,321
	165,036	**(135,614)**	**19,453**	**279**	**-**	**49,154**
Current asset investments	299	-	129	-	-	428
Stocks	254,987	-	299,369	76,928	(40,141)	591,143
Debtors	127,878	-	27,625	11,128	209	166,840
Cash at bank and in hand	50,591	-	22,209	798	(5,114)	68,484
	433,755	**-**	**349,332**	**88,854**	**(45,046)**	**826,895**
Creditors: amounts falling due within one year	**(256,880)**	**-**	**(175,433)**	**(13,788)**	**29,643**	**(416,458)**
Net current assets	176,875	-	173,899	75,066	(15,403)	410,437
Total assets less current liabilities	341,911	(135,614)	193,352	75,345	(15,403)	459,591
Creditors due in more than one year	(26,249)	-	(100,218)	(32,865)	6,222	(153,110)
Provisions for liabilities	(14,658)	-	-	-	-	(14,658)
Net assets	**301,004**	**(135,614)**	**93,134**	**42,480**	**(9,181)**	**291,823**
Non-controlling interests	(9,181)				9,181	-
Equity attributable to owners of the parent	**291,823**	**(135,614)**	**93,134**	**42,480**	**-**	**291,823**

Consolidated net assets 2019	£'000	£'000	£'000	£'000	£'000	£'000
Intangible assets - negative goodwill	(6,693)	-	-	-	-	(6,693)
Intangible assets - positive goodwill	-	-	-	5	-	5
Tangible fixed assets	29,409	-	6,342	3,663	(1)	39,413
Fixed asset investments	145,006	(141,380)	12,694	243	-	16,563
	167,722	**(141,380)**	**19,036**	**3,911**	**(1)**	**49,288**
Current asset investments	707	-	3,614	-	-	4,321
Stocks	310,117	-	279,282	68,079	(19,294)	638,184
Debtors	147,540	-	27,832	11,575	8,061	195,008
Cash at bank and in hand	67,181	-	16,224	2,414	(1,792)	84,027
	525,545	**-**	**326,952**	**82,068**	**(13,025)**	**921,540**
Creditors: amounts falling due within one year	**(308,061)**	**-**	**(170,271)**	**(15,322)**	**5,251**	**(488,403)**
Net current assets	217,484	-	156,681	66,746	(7,774)	433,137
Total assets less current liabilities	385,206	(141,380)	175,717	70,657	(7,775)	482,425
Creditors due in more than one year	(53,941)	-	(60,946)	(18,447)	5,158	(128,176)
Provisions for liabilities	(41,432)	-	(25,601)	-	2,000	(65,033)
Net assets	**289,833**	**(141,380)**	**89,170**	**52,210**	**(617)**	**289,216**
Non-controlling interests	(617)	-	-	-	617	-
Equity attributable to owners of the parent	**289,216**	**(141,380)**	**89,170**	**52,210**	**-**	**289,216**

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(resigned 20 December 2019)

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J M Morgan

P L Huberman

L O Johnson

S C Low
(resigned 29 May 2020)

C K Ching
(resigned 29 May 2020)

G A Conway

R M Conway

P J H Smith
(appointed 29 May 2020)

J C Brand
(appointed 29 May 2020)

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