Report & Accounts 2021

Galliard
Group Limited

Contents

STRATEGIC REPORT

DIRECTORS' REPORT

FINANCIAL STATEMENTS

Galliard
Group Limited

NEW BUILD
RESIDENTIAL

LANDMARK
REGENERATION

MIXED USE
DEVELOPMENT

Galliard. The industry leader

LISTED
CONVERSION

FLAGSHIP
HOTELS

Galliard Homes

WHO

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

WHAT

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

WHY

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

WHEN

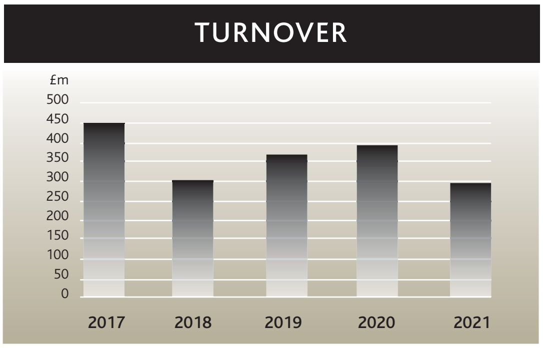
We aim to achieve planning and complete construction as soon as is practically possible. Our business model depends on a fast turnaround of sites so we do not sit on land banks.

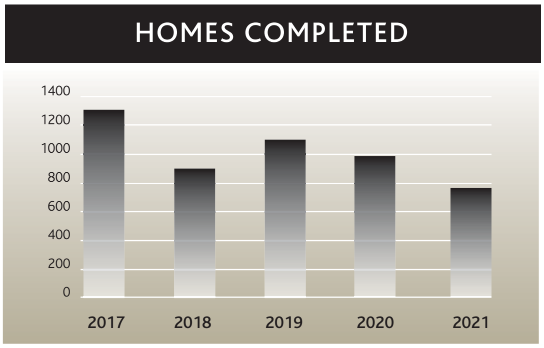
WHERE

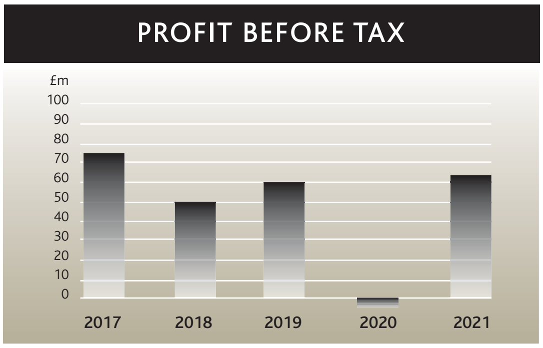
We are leaders in urban regeneration and look to build in undervalued locations that will give purchasers maximum upside potential on their investment.

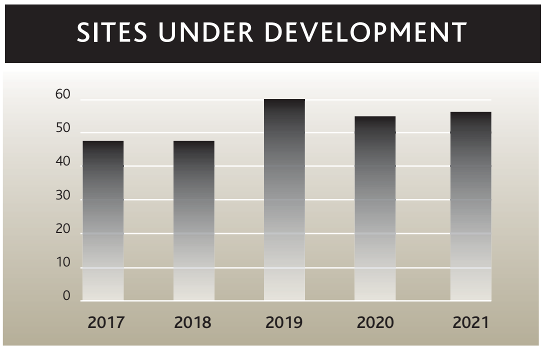
DEVELOPING DISTINCTION

Five year performance highlights

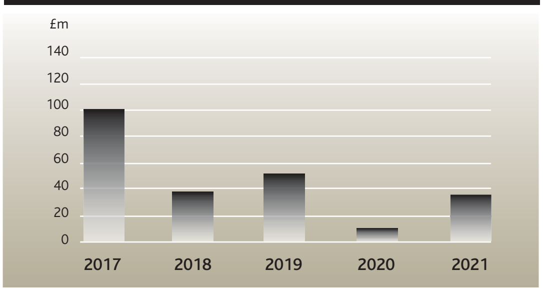




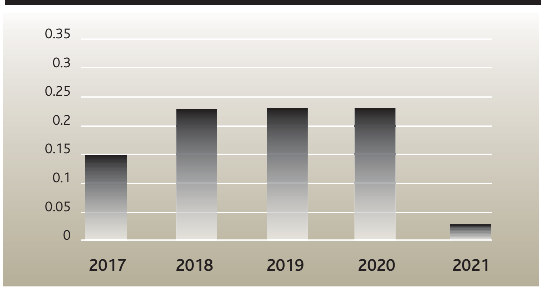




OPERATING PROFIT

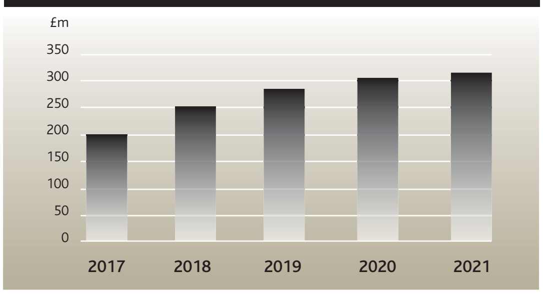


SAFETY AT THE WORKPLACE

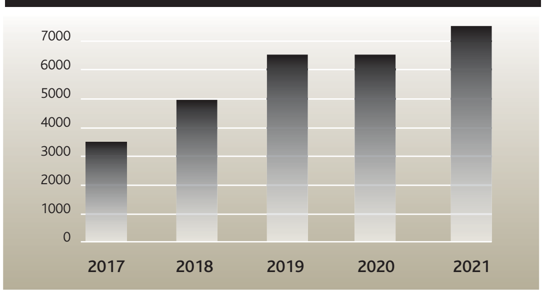


Reportable injury incidence rate

NET ASSETS



FUTURE OUTLOOK



New homes in process of development

***Stadia**, Wimbledon SW17*

Chairman's statement

Without doubt the past year has been challenging. We have all now experienced our first and, hopefully, our last global pandemic and at both a personal and a business level I have found my priorities changing. Personally, I have rediscovered an appreciation of life's simpler pleasures that I have long since taken for granted, professionally I have refocused on some of the more basic aspects of the business such as the safety and wellbeing of staff. During the course of my life I have survived recessions, banking crises, secondary banking crises, property crashes, stock market crashes and currency devaluations. These were all disasters in their own right but none have had the pervasive impact of the current pandemic which has left no stone unturned in either our business or social lives.

Harbour Central, *London E14*

Considering the scale of the death toll in the country, we were fortunate to have lost only one of our colleagues to this indiscriminate virus but one is still too many and the shockwaves will reverberate amongst his family, friends and workmates for years to come. Keith Alder-Barber was taken from us far too soon and I would like to place on record my thanks for his contribution to the success of Galliard over more than twenty years.

The results we have achieved over the past year are outstanding under the circumstances. Despite a drop in turnover from £398m to £294m we have returned to profitability and the £63m pre-tax profit (2020 - £7m loss) I can now report is an excellent outcome. The temporary move into the red in 2020 was caused by the re-basing of our stock portfolio at the very start of the pandemic and, having now absorbed that initial shock, we have been able to consolidate our position and move forward positively. Once again I should urge caution in reading too much into headline figures such as turnover and operating profit because these exclude the contribution from the increasing proportion of our developments that have been undertaken using a joint venture structure. I would, therefore, encourage readers to focus on the presentation of our results on a look-through basis towards the end of the report as this gives a far better representation of the scale of the group's activities.

We are fortunate that the effect of the pandemic on our sector has been far less severe than on others. In common with a large proportion of the country, however, our staff had to adapt to new working methods. Most affected have been our admin staff, many of whom have had to work from home for long periods. I am pleased to say that the enforced changes were wholeheartedly embraced by everyone and I thank all our staff for their professional attitude and perseverance during such a difficult time.

Despite the dramatic external influences our core business values remain steadfast and are largely responsible for the excellent, resilient performance we can now report for the year. Chief amongst these values is our risk appetite which remains very low and is at the forefront of our minds as we return once again to profitability and continue our efforts to expand the business. A clear indication of the progress made by the group in recent years is the growth in net assets.

Our backbone is the unique business model we have refined over the years. With in-house expertise in planning, designing, building, marketing, selling and managing any scale of residential or mixed-use scheme together with our ability to act quickly and decisively when opportunities arise we have a distinct advantage over our competitors. Very few developers can offer such a comprehensive spectrum of specialities under one roof.

The current shift in working practices away from an office-based model caused by the requirement to work from home during the recent lockdowns has produced huge demand for safe, residential income from institutions and equity platforms. This boost to the Private Rental Sector is likely to produce many opportunities and has already enabled us to link up with a substantial international investor at our Soho Wharf site in Birmingham. The deal with Heimstaden Bostad, one of Europe's leading residential real estate companies, secures £160m of forward funding for this impressive 752 unit development in the city centre.

We are proud of our reputation of providing a friendly, family-oriented working environment and have always tried to instil family values into the company's working ethos. We also keep a keen eye on the age profile of our senior management team and have succeeded in attracting some excellent young talent who will provide the continuity we will need over the coming years. This team has worked tirelessly over the past year and we owe them a huge debt of gratitude for their efforts in such difficult circumstances.

Government policy still favours the housing sector with headline policies such as the extensions to both the Help to Buy scheme and the Stamp Duty Holiday. As we come out of this pandemic and life returns to some semblance of normality, confidence amongst buyers will return as will more stability in the housing market. It is hoped that proposed changes to planning laws outlined in the last Queen's Speech will also present further development opportunities and so we continue to be optimistic about the future for the group. I look forward to reporting on another year of progress in 2022 against a pandemic-free backdrop.

Stephen Conway
Chairman
15 July 2021

Chief executive's review

As we review this year's results and reflect on the past 12 months of business, the prevailing sentiment is one of gratitude. Being a homebuilder, a UK Government designated Essential Industry, allowed us to continue all construction and sales activities during a period when many businesses had to close their doors both metaphorically and physically. The resilience of our trading is a tribute to our staff, contractors, suppliers, consultants, and funders, and the flexibility demonstrated by all stakeholders, with their ability to adapt to the frequent changes in working conditions, has been remarkable. The pandemic has caused widespread disruption across the whole economy, and we are fortunate to have avoided many of the negative influences.

Environmental, social and corporate governance issues are increasingly important considerations for today's generation entering the workforce. Following a pause during the Covid era; we have now reinstated our Engage (student work experience), Evolve (apprenticeship) and Elevate (graduate training) programmes. These programmes have proved a rich source of talent, as we continue to work towards our ultimate goal of becoming the employer of choice in our industry. In 2021 progress towards true diversity within our sector is not as advanced as it should be.

Soho Wharf, *Birmingham B18*

With these three programmes we are at the vanguard of the movement for change, but it will take time. The real difference will be seen when the future senior leaders of our company rise through the ranks from within today's diverse workforce. Diversity is about the presence of difference, inclusion is about the culture of belonging and this year, with the inauguration of an actively engaged employee representative group, we will be pushing ahead with the behavioural learning processes necessary to embrace these two disciplines.

This year we have been working on the research and development of new sustainable heating systems with the consumer electrical company Glen Dimplex. Together we have now completed the construction of a 50-apartment development in East London which has heating and hot water provided by Air Source Heat Pumps, a first for the UK market. With the planned cessation of new gas installations from 2026, all developers will shortly need to follow this lead but we are determined to remain at the forefront of innovation ahead of the wider market.

As at 31st March 2021 we had £3.5 billion of GDV across 25 projects on our books. We held an average of 31% of the equity in these developments ourselves, with the balance shared by our joint venture partners. During the year we completed on the sale of 771 private homes, 68 of which were under S106 affordable housing delivery. The average sale price of our private apartments this year was £509,000, 38% higher than the figure of £369,000 las year. This reflects the more urban product sold this year compared to the extensive home counties offerings in the previous year. Outside of these figures, the immediate planning pipeline holds approximately 2,400 homes across 14 secured sites, with the potential to deliver a further £1.1 billion of GDV.

Last year, our results reflected a review of our stock values that were cognisant of the negative outlook at that time. Now with the restoration of confidence and the general resilience of the market, it is appropriate that we review the portfolio again in this light. We have always chosen to operate within a measured level of risk and whilst retaining this cautious approach we have continued to strengthen the Balance Sheet, this year increasing the underlying value by 4.6% to £314.9m. The pandemic did however impact our productivity, which is reflected in a reduction in turnover which, on a look-through basis, is down 9.7%, from £432m to £390m. The underlying return has however been restored from last year's trading loss of £7.1m, to a net profit (before tax) this year of £62.7m for the group. Cash balances at the year-end were standing at a healthy £53m which, in part, reflects our preparedness for opportunistic acquisitions in the near term.

In 2021 we completed the re-cladding of New Capital Quay in Greenwich. As an 11-block development with over 1,000 apartments plus commercial accommodation on the ground floor, it was the largest and only Galliard freehold site with ACM cladding. The NHBC insurance company funded the project. As the works were started so early we did get a lot of attention from a wide group of stakeholders. The MHCLG Team including the Secretary of State, Robert Jenrick MP, responsible for overseeing cladding issues on behalf of the Government, visited the project and throughout showed a keen interest in details and progress. The specialist team from the Health & Safety Executive, set up exclusively to monitor re-cladding projects, also visited en masse. They were particularly interested in work methods, and our specialist access equipment designed and manufactured specifically to carry out the works on a fully occupied development. As interest in all matters relating to cladding continues to develop, we now have the ability to offer our services to selected third parties in the future with the skills learned.

Recent upward pressure on build costs are a reflection of rising commodity prices that have a time lag of approximately three months. The intermittent extended closure of production facilities in Europe, USA and Asia, accompanied by the wholesale disruption to the logistics of material movement across the globe, drove up prices for timber, steel and cement-based products. This has subsequently fed into the supply chain with delays and corresponding price increases for wire, reinforcement, pipework, joinery, plasterboard and appliances, amongst others. However, commodity prices have now started to ease back and, allowing for the time lag, we anticipate the construction supply chain pressures will have retreated somewhat by the Autumn. Labour and skilled workforce rates have also seen some increases, some undoubtedly caused by the reduced influx of eastern Europeans as well as the repatriation of emigrant colleagues to their home countries following Brexit. Whilst construction has continued in the UK during the pandemic, not all areas have had the resilience of the residential sector, the reduced activity in new commercial development space has tempered the pressure on labour costs. As we approach the end of 2021 it is likely that we will see some resurgence in confidence with commercial investors and we are therefore not expecting any reduction in labour costs over the next twelve months. We do however continue to benefit from the co-operation of a dedicated and loyal supply chain. Our reputation as a reliable employer that always pays on time has been built over nearly 30 years enabling many subcontractors and individual tradespeople to progress their own businesses and careers as partners in trust with Galliard.

As we face our next challenges, we will continue to evolve and develop our business with the dedicated, loyal staff that are leaders in their field. We are ready to take on new opportunities and embrace the post-Covid world, which will include sustainability as a primary driver in decision making. With our fundamental balance sheet strength providing a platform for growth my message is, "Many accents, one voice – Welcome to your Galliard home!"

Don O'Sullivan
15 July 2021

Operational locations - Planning

Greater London

At 31 March 2021 the group had 14 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	**Belsize Park Gardens** Camden NW3	Jan - 21	Four-storey private members gym with potential for change of use to a nursery.
3	**Bittern Place, Wood Green** Haringey N22	Mar - 20	Long leasehold, tenanted commercial site with development potential for up to 200 residential units.
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	**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.

	DEVELOPMENT	ACQUISITION DATE	DESCRIPTION
6	**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.
7	**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.
8	**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.
9	**Leegate Shopping Centre** Greenwich SE12	Mar - 21	Existing shopping centre with potential for up to 500 residential units.
10	**Limehouse** Tower Hamlets E14	STP*	Permission currently being sought for 108 residential units plus 20,000 sq.ft. of commercial space.
11	**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.
12	**New Road** Crouch End N8	Jan - 16	Application made to convert commercial unit at completed development into 7 residential units.
13	**Norlington Road** Waltham Forest E10	Mar - 18	Planning application in progress for a 44 unit mixed use scheme.
14	**Yates, Bath Road** Hounslow TW3	Jun - 16	Former public house with planning 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 North West, Midlands, South East and South West

The group also has an interest in 13 sites outside of its Greater London nucleus that could potentially yield around 5,000 residential units in addition to considerable commercial, retail and leisure facilities.

	DEVELOPMENT	ACQUISITION DATE	DESCRIPTION
1	**Alfred Road** Blackpool FY1	Dec - 06	Site to be sold following granting of planning for 203 room hotel on land previous occupied by 17 houses.
2	**Andrews Airfield** Stebbing CM6	Oct - 05	The group has an option to purchase 314 acres of agricultural land that could yield c3,000 units.
3	**Broadwalk Shopping Centre,** Bristol BS4	Apr - 21	Existing shopping centre with potential for mixed retail/leisure/office/residential development.
4	**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.
5	**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
6	**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.
7	**Middleway** Birmingham B12	Oct - 18	Planning application for a 438 unit scheme comprising 112 townhouses and 326 apartments has been submitted.
8	**Network House** Apsley, Hemel Hempstead HP3	Apr - 21	Office building in 2.6 acres of land with potential for mixed use commercial/residential development and a care home.
9	**Oswalds Boat Yard** Oulton Broad NR32	Oct - 04	River-fronting boatyard and industrial site. Bought with the intention to obtain planning consent for c90 residential units.
10	**Oxford Greyhound Stadium** Oxford OX4	Sep - 16	This was part of the former Greyhound Racing Association and we have recently agreed a 10 year lease with a new operator.
11	**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.
12	**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.
13	**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

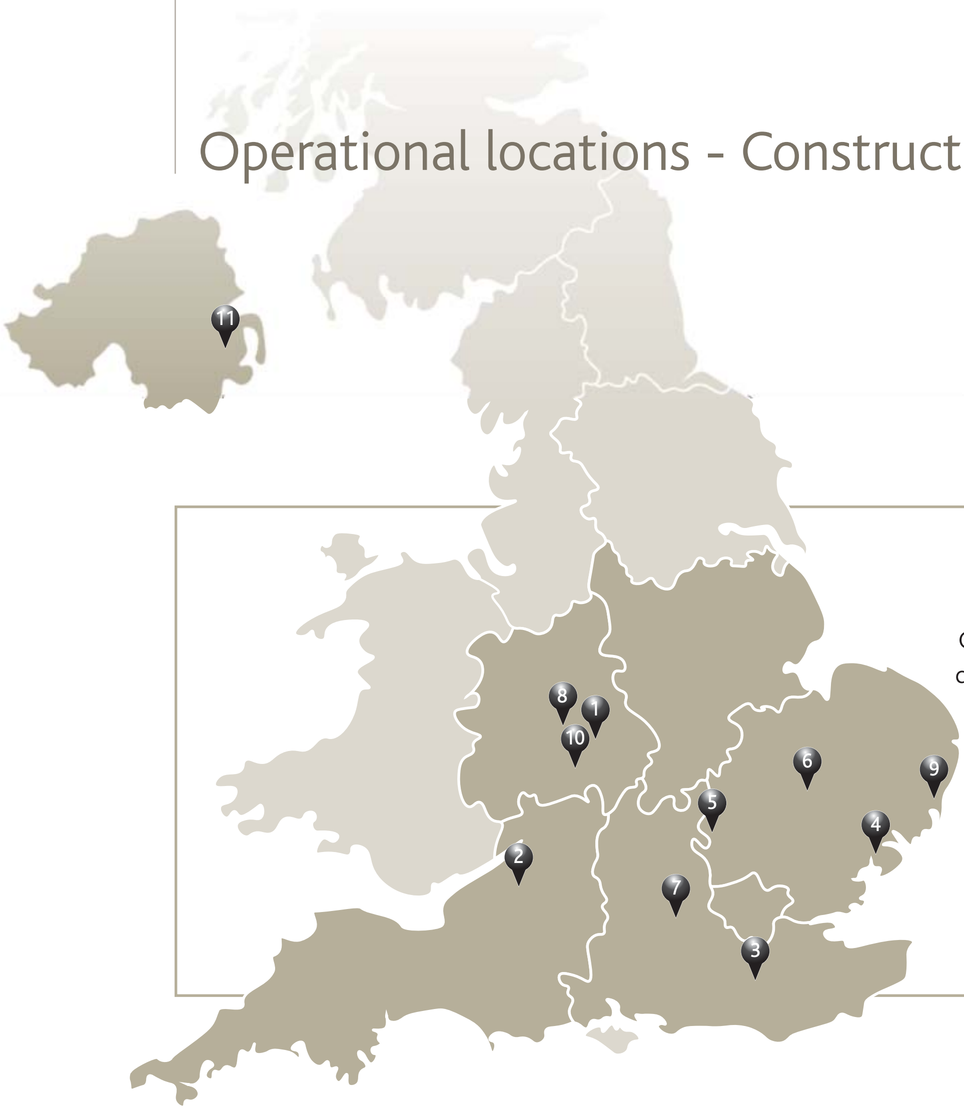
Greater London

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. A significant proportion of these are social/affordable housing units.

	DEVELOPMENT	ACQUISITION DATE	DESCRIPTION
1	**Baltimore Wharf** Tower Hamlets E14	Feb - 13	Application for change of use to residential on the ground, 44th and 45th floors has been submitted.
2	**Blackheath, The Glebe** Lewisham SE3	Apr - 15	A semi-detached Victorian house being refurbished prior to sale and an adjacent plot of land to be sold with planning permission.
3	**Cantium Retail Park** Southwark SE1	Mar - 17	Planning approved for 1,113 units including 418 affordable housing units plus commercial space now signed.
4	**Creekside** Lewisham SE8	Jun - 17	Freehold site with planning for 393 residential units. S.106 agreement being negotiated.
5	**Hackney Wick** Hackney E9	Mar - 14	Planning obtained and S106 agreement signed for 475 units including 241 affordable housing units plus commercial space.
6	**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.

	DEVELOPMENT	ACQUISITION DATE	DESCRIPTION
7	**Jessica House** Wandsworth SW18	Jan - 16	Conversion of part of the commercial space at this completed development into 4 additional residential units.
8	**Neopost House, Romford** Havering RM1	Aug - 16	Construction completed on 121 units in existing office building under permitted development rights. Planning appeal pending for up to 110 further units to be built in the car park.
9	**Neptune Wharf** Lewisham SE8	Dec - 13	Decontamination work started following completion of land assembly in May 2021. Construction of 196 unit development due to start in August 2021.
10	**Nine Elms** Wandsworth SW8	Jun - 19	Construction continues on a 262 unit scheme including 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	**South Audley Street** Westminster W1	Feb - 16	Grade II listed building with planning permission. Awaiting vacant possession.
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 fourth quarter 2022.
15	**Tower Bridge Road** Southwark SE1	Mar - 18	Construction work underway on 86 units plus commercial space. Completion scheduled for the third quarter 2021.
16	**Tottenham Court Rd West** Westminster W1	Nov - 20	Construction work underway on a 92 unit scheme above the new Tottenham Court Road Crossrail station in Oxford Street.
17	**Westgate House, Hangar Lane** Ealing W5	Aug - 16	Construction complete on 378 units including 26 social housing units.

Operational locations - Construction



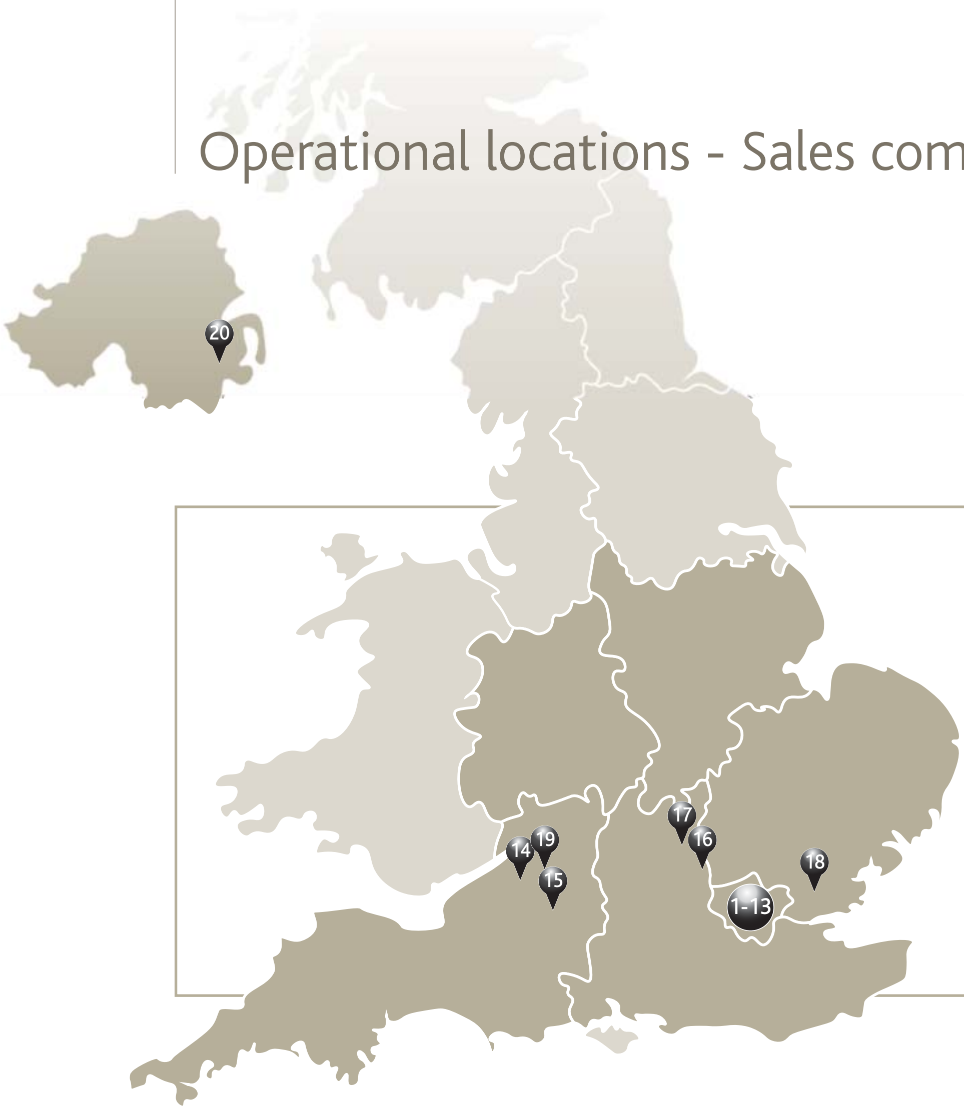
The United Kingdom

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 commenced on this scheme for 305 residential units plus retail, workspace and leisure facilities.
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	**East Grinstead House** East Grinstead RH19	Jul - 19	Office building where construction work has started on 40 residential units with planning for a further 86 units.
4	**Evolve** Colchester CO7	Aug - 18	Construction work has started on 90 "Evolve" business units with completion scheduled for the fourth quarter of 2021.
5	**Evolve** Milton Keynes MK14	Feb - 19	Planning obtained for 85 'Evolve' business units aimed at small established and start-up companies.
6	**Kirk Ogden Close** March PE15	Dec - 15	A former gas works depot and pumping station with planning for six apartments, ten houses and three bungalows.
7	**Lower Shiplake** Henley on Thames RG9	Mar - 21	6.6 acres of land with outline planning for a 65 unit retirement home.
8	**Pershore Street** Birmingham B5	Oct - 18	Construction work continues on the 379 units with completion scheduled for the third quarter of 2021.
9	**Shotley Gate** Ipswich IP9	Jun - 02	Construction will commence as soon as pre-commencement covenants have been discharged.
10	**Soho Loop** Birmingham B18	Jun - 17	Construction work underway on this scheme for 650 apartments and 102 houses.
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 2024.

Operational locations - Sales completions



United Kingdom

The table opposite shows the private residential sales completed in the year to 31 March 2021. The average price per unit sold during the year was £509,000 compared with £369,000 in the year to 31 March 2020.

1. **BALTIMORE WHARF**
   TOWER HAMLETS E14
2. **CHURCH ROAD**
   LEYTON E10
3. **HARBOUR CENTRAL**
   TOWER HAMLETS E14
4. **HARPER ROAD**
   SOUTHWARK SE1
5. **HESTIA HOUSE**
   SOUTHWARK SE1
6. **JESSICA HOUSE**
   WANDSWORTH SW18
7. **MARINE WHARF**
   LEWISHAM SE16
8. **OSBORN HOUSE**
   LEWISHAM SE3
9. **PAPERMILL HOUSE**
   ROMFORD RM1
10. **SOUTHALL HONDA**
    SOUTHALL UB2
11. **ST EDWARDS COURT**
    HAVERING RM7
12. **STADIA 3**
    WIMBLEDON SW17
13. **TOWER BRIDGE ROAD**
    SOUTHWARD SE1
14. **BRANDON YARD**
    BRISTOL BS1
15. **HOPE HOUSE**
    BATH BA1
16. **LANGWOOD HOUSE**
    RICKMANSWORTH WD3
17. **PINNACLE HOUSE**
    KINGS LANGLEY WD4
18. **ROSEBERY HOUSE**
    CHELMSFORD CM2
19. **TEMPUS, WHITELADIES ROAD**
    BRISTOL BS8
20. **WOODBROOK**
    LISBURN BT28

GALLIARD GROUP - PRIVATE RESIDENTIAL COMPLETIONS

Development	Location	Units	Sales £'000	Sq ft '000	£ per sq ft
Baltimore Wharf	Tower Hamlets E14	6	6,315	5.5	1,144
Church Road	Leyton E10	38	15,797	27.9	567
Harbour Central	Tower Hamlets E14	254	186,436	176.9	1,054
Harper Road	Southwark SE1	12	12,543	13.0	967
Hestia House	Southwark SE1	1	700	1.0	706
Jessica House	Wandsworth SW18	2	1,002	1.5	684
Marine Wharf	Lewisham SE16	1	430	0.6	710
Osborn House	Lewisham SE3	1	315	0.7	477
Papermill House	Romford RM1	29	6,712	10.5	642
Southall Honda	Southall UB2	91	37,396	61.1	612
St Edwards Court	Romford RM7	62	14,840	26.5	560
Stadia 3	Wimbledon SW17	62	32,245	46.1	699
Tower Bridge Rd	Southwark SE1	27	19,880	17.9	1,112
Brandon Yard	Bristol BS1	10	5,822	8.9	658
Hope House	Bath BA1	20	13,816	23.8	581
Langwood House	Rickmansworth WD3	3	668	1.1	621
Pinnacle House	Kings Langley WD4	18	3,790	6.8	554
Rosebery House	Chelmsford CM2	24	5,345	8.5	631
Tempus, Whiteladies Road	Bristol BS8	1	312	0.6	508
Woodbrook	Lisburn BT28	41	7,063	43.9	161
Total Private Completions	**2021**	**703**	**371,426**	**482.5**	**770**
Total private completions	**2020**	**520**	**182,795**	**299.5**	**610**

GALLIARD GROUP - TOTAL RESIDENTIAL COMPLETIONS

	Private	Housing association	PRS	Total
2021	703	68	-	771
2020	520	250	228	998

Papermill House, *Romford RM1*

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.

SECTOR	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.
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. Extensive use is also made of off-site data storage facilities. In addition all staff have undergone detailed GDPR training to minimise the risk of compromising any personal data that we hold. Our disaster recovery plan is robust and reviewed at regular intervals to ensure it is fit for purpose and reflects current requirements.
The restriction of movement across the world's population has had far-reaching consequences on our workforce, our supply chain and our customer base. Both building works and sales completions have been delayed and economic confidence in general has suffered badly.	Initially, to protect cash flow, advantage was taken of the government's job retention scheme and most employees accepted a temporary pay cut. HMRC also agreed a deferral program for taxes due up to 30 June 2020. To facilitate a return to work, risk assessments have been completed and health & safety recommendations implemented at all of the group's sites and offices.
High staff turnover and the inability to either attract or retain staff of sufficient calibre would have a severely disruptive impact on the running of the business and therefore on profits, cash flow and reputation.	Talent recruitment and training programmes are constantly monitored and reviewed as are our remuneration packages and staff welfare initiatives to ensure that they reflect the best industry practices.
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

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

Supply chain

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

Employees

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

Local communities

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

Customers

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

JV Partners

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

Funders

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

At Galliard Homes 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.

Whilst the COVID pandemic has severely restricted our interaction with our chosen charitable partners in the past year, we remain committed to supporting these causes in as active a way as restrictions permit. Many fundraising events have had to be cancelled but, wherever possible, have been substituted by internal efforts to ensure our support is maintained at as high a level as possible under the circumstances. As restrictions begin to ease, our fundraising capacity will return to pre-pandemic levels and our staff, who are always so generous with both time and money and are eager to further their own support, can reconnect with these worthwhile causes.

St Mungo's
Ending homelessness
Rebuilding lives

As part of our Responsible Business Strategy, we are delighted to confirm our new Corporate Partnership with St Mungos. We will be working with the charity over the next three years to support them in their mission of 'Ending Homelessness, Rebuilding Lives'.

We have a number of shared values and in particular their goal 'To find everyone a place that they can call home' resonates with us at Galliard. We will be working with St Mungo's to understand how we can make the biggest contribution to their efforts and provide opportunities for both our employees and their 'members'.

Haven House
children's hospice

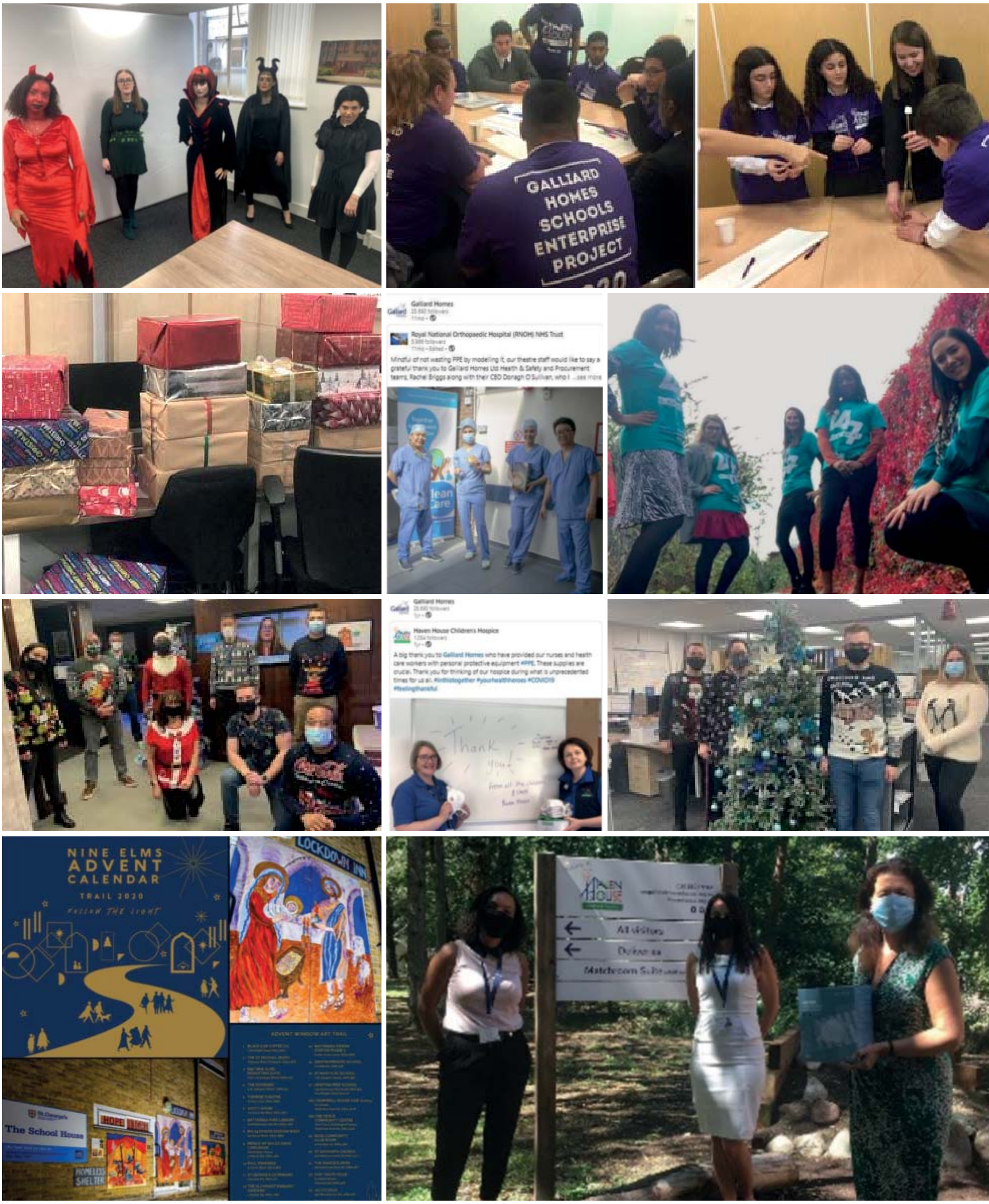
Galliard continues to provide support to Haven House Children's Hospice located in close proximity to our head office. Haven House provides day and night stays either in the hospice itself or in the fully equipped family flat. The facility also offers support to parents and siblings by providing counselling 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.

Ladywood
Community Project
Together we make a community

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 again 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

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. We continue to allocate funding to SIFA to enable the centre to provide emergency overnight accommodation during periods of freezing temperatures.


GALLIARD HOMES SCHOOLS ENTERPRISE PROJECT
NINE ELMS ADVENT CALENDAR
TRAIL 2020
LOCKDOWN INN
The School House
HOMELESS SHELTER
All Visitors


BARRETSTOWN
LIVE

A proud supporter

Barretstown

Galliard is a proud supporter of Barretstown who offer free, specially designed camps and programmes for children and their families living with a serious illness – supported behind the scenes by 24 hour on site medical and nursing care. All of the children and families go to Barretstown free of charge. Everything, including accommodation, food and medical assistance are provided at no cost to the family.

Barretstown, which is supported by donations and the fundraising efforts of corporate supporters, individuals and community groups, is recognised as a centre of excellence in childhood cancer care and other serious illnesses. Children are referred to Barretstown based on their medical needs. Since it first opened in 1994 the magic of Barretstown has been experienced by over 70,000 campers. Galliard CEO, Don O'Sullivan, currently serves as chairperson of this respected and valued charity.

BARRETSTOWN
a serioüsfun camp

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.

CONSIDERATE CONSTRUCTORS

Timber Yard, *Birmingham B5*

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.

INVESTORS IN PEOPLE | Accredited

2021 POSITIVE ABOUT Women into Construction

CARE LEAVER COVENANT

ARMED FORCES COVENANT

Property Week | BEST PLACES TO WORK IN PROPERTY 2020

disability confident EMPLOYER

HBF HOME BUILDERS FEDERATION

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.

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.

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 in the year through the introduction of "Shred-it" and "Follow-me-Printing" programmes.

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 over 95% of our apartments completed within the last year have achieved an EPC efficiency rating of at least 'B'.

Galliard Homes

BUILDING A SUSTAINABLE FUTURE

Investing in our future

Learning and development

Managing our talent is key to our continued success. We have delivered over £120,000 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 26 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, never more so than during the last year. 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. Throughout the pandemic, our weekly 'Wellness Wednesday' supplements provided support and reassurance to our employees, whether working or on furlough. 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.

MENTAL HEALTH AWARENESS

MATES IN MIND

Lighthouse
The Construction Industry Charity
CLUB

MHFA England

enGage
GALLIARD HOMES WORK EXPERIENCE PROGRAMME

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
Galliard Homes Apprenticeship Programme

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 300 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 cohort is entirely reflective of the communities in which we live, work and develop.

ELEVATE
Galliard Homes Graduate Scheme

Elevate Graduate Scheme

Our rotational graduate scheme is now in its fifth 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.


enGage
GALLIARD HOMES WORK EXPERIENCE PROGRAMME
Virtual Work Experience
Galliard
Homes


MENTAL HEALTH AWARENESS
THIS IS #MYWHOLESELF
JEWISH
HUSBAND
ESSEX BOY
SPURS FAN
FATHER OF TWO GIRLS
#LOUD
#RESPECTFUL
#HAPPY
#BIG
#POSITIVE
Galliard
Homes
My Whole Self
Join the campaign for workplace culture change


MENTAL HEALTH AWARENESS
Husband
Colleague
Son
Friend
Father
Supporter
Grandfather
THIS IS MY WHOLE SELF
THIS IS #MYWHOLESELF
#FATHER
#LOYAL
#HUSBAND
#COACH
#POSITIVE
#OVERTHINKER
#INSECURE
Irish
Friend
Passionate
Family Oriented
#CARIBBEANQUEEN
Galliard
Homes
My Whole Self
Join the campaign for workplace culture change

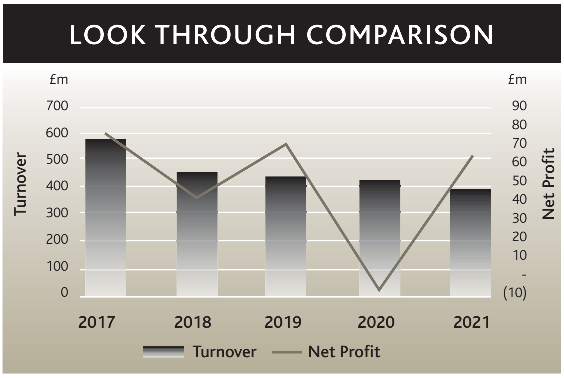

Wellness
Wednesday

Financial review

The group has returned to profitability following the loss suffered last year as a consequence of the one-off provisions made against the carrying values of some group sites at the start of the coronavirus crisis.

St Paul's Quarter, *Birmingham B3*

A pre-tax profit of £62.7m for the year to 31 March 2021 is a clear demonstration of the exceptional nature of the loss made the previous year as is the chart right, which indicates an upward trend in profits over the last four years but for the correction made to site values in March 2020.



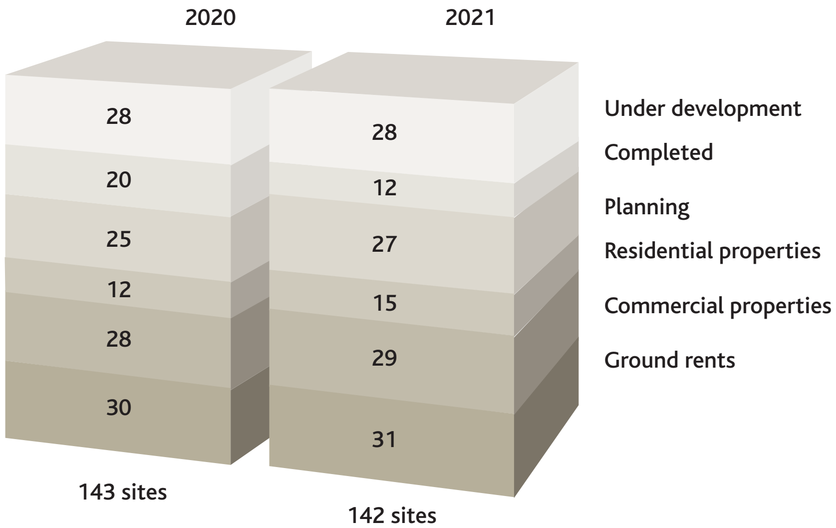
Our balance sheet continues to strengthen with net assets increasing to £315m after the use of £35m of reserves in buying back 14% of the issued share capital of the company. Movements in key performance indicators over the past five years are shown in the table below:

Activity in the housing market has held up well during the coronavirus crisis. The group's building activity has been relatively unaffected thanks to the favourable status afforded to the construction industry by the government and demand has held up well despite early restrictions in access to sites for viewings. Our business model of selling off-plan at an early stage and spreading risk by the use of joint venture structures has undoubtedly mitigated any adverse effects on the sector caused by the pandemic.

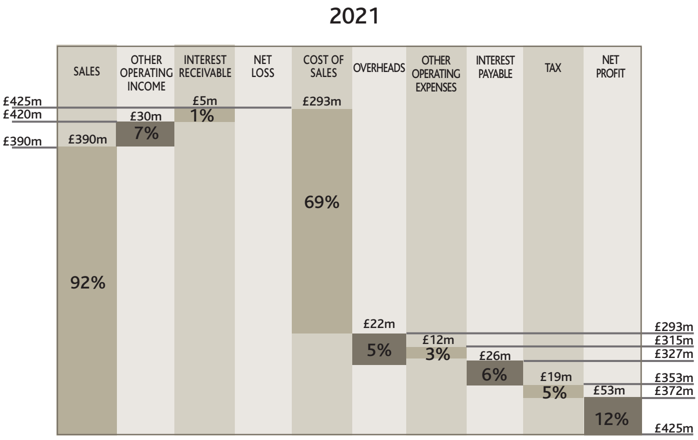
£m		2017	2018	2019	2020	2021
Net assets	Equity Basis	208	252	290	301	315
	Look Through basis	203	240	289	292	308
Turnover	Equity Basis	392	296	368	398	294
	Look Through basis	632	460	447	432	390
Pre-tax profit/(loss)	Equity Basis	74	47	62	(7)	63
	Look Through basis	81	41	69	(5)	71

TABLE 1 - TREND IN KEY PERFORMANCE INDICATORS FROM 2017 TO 2021

The group has continued to augment its portfolio during the year with the acquisition of sites including Leegate in South London, Belsize Park in North London and Apsley in Hemel Hempstead. An analysis of the group's portfolio by site category is shown below:

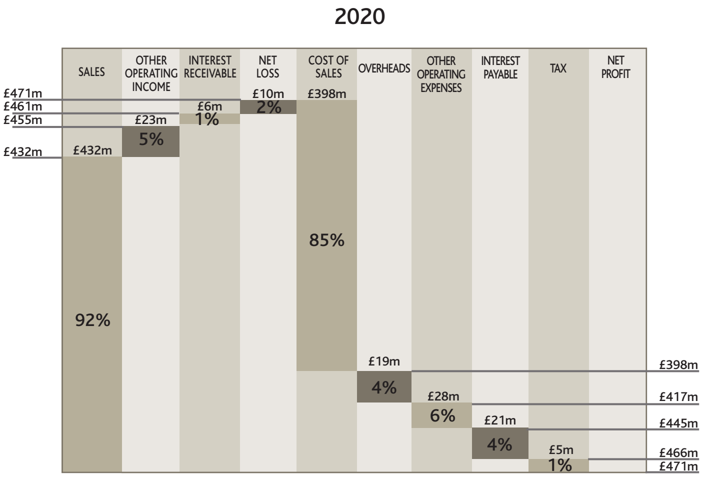


ANALYSIS OF GROUP SITE PORTFOLIO BY CATEGORY



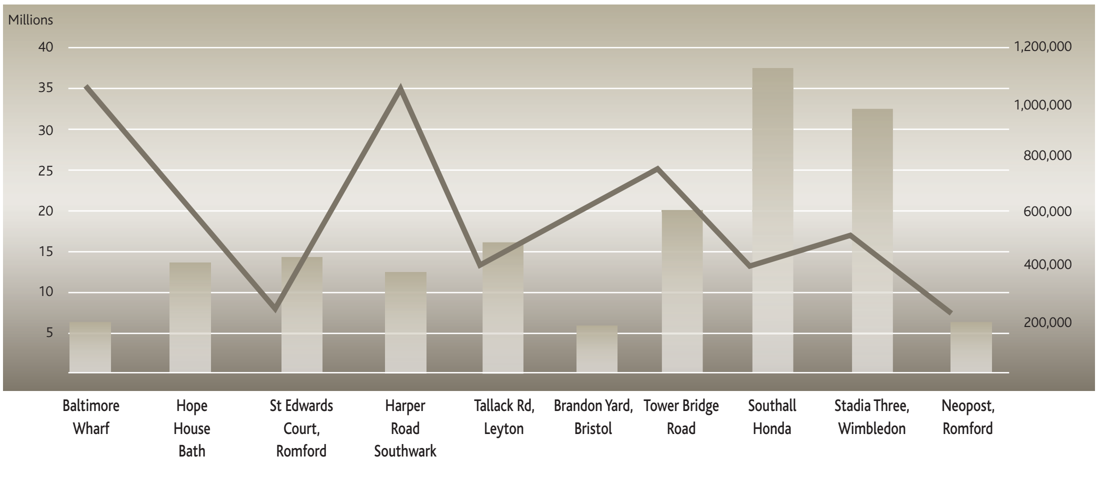
Relative proportions of income and expenditure have remained very consistent between 2020 and 2021 when the effect of the March 2020 site value provisions is eliminated.

The most significant effect of eliminating these provisions is the decrease in the proportion of expenditure attributable to cost of sales from 85% in the year to 31 March 2020 to 69% in the year to 31 March 2021, as can be seen in the charts above and left:



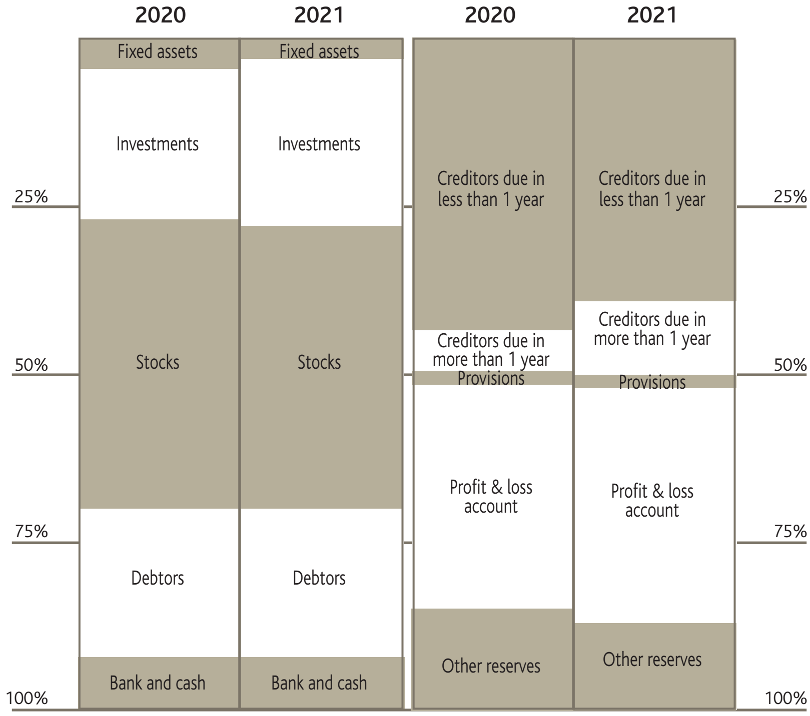
COMPARISON OF INCOME AND EXPENDITURE BETWEEN 2021 AND 2020 (LOOK THROUGH BASIS)

By far the largest contribution to sales completions during the year came from our Harbour Central site near Canary Wharf. 254 units were sold for an aggregate consideration of £186m giving an average selling price of £734,000 per unit. Other significant contributors to turnover on a look through basis are shown in the chart below showing total sales at each development as well as the average selling price which ranged from £231,000 to over £1m:



SITES TURNOVER AND AVERAGE SELLING PRICES

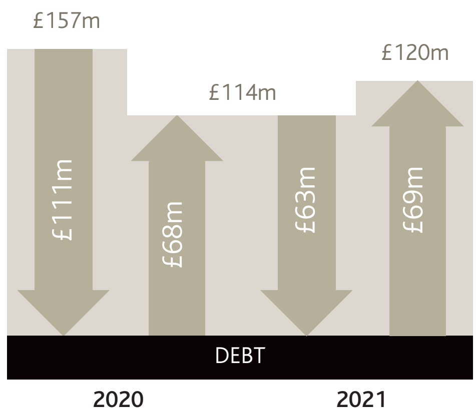
A comparison of assets and liabilities shows a consistent distribution between 2020 and 2021. The increase in the proportion of net assets represented by reserves demonstrates the strengthening of the balance sheet over the year.

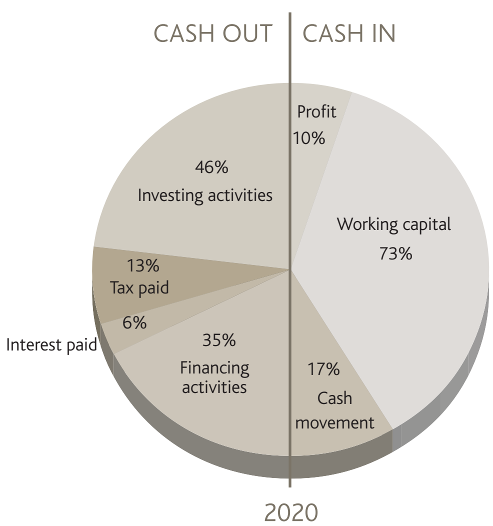


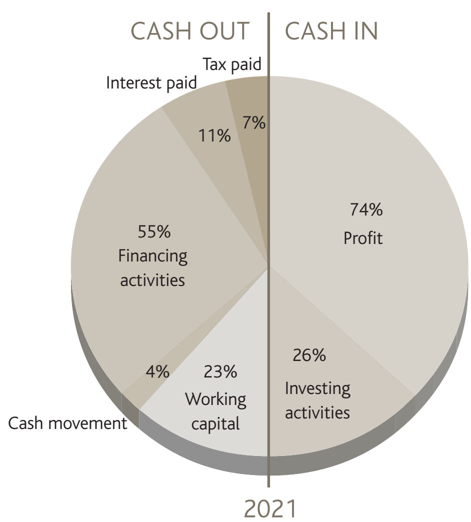
RELATIVE PROPORTIONS OF ASSETS AND LIABILITIES

The group's debt increased by £6m during the year to £120m. £63m (55%) of the opening debt was repaid and a further £69m 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, there are £43m of preference shares that, despite being technically repayable on demand, are considered to be long-term funding.

Cash balances have increased by £2.6m over the year. Much of the difference in cash flows between 2020 and 2021 results from the shift in profits away from fully consolidated group profits to equity accounted joint venture profits.







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	Interest rate risk
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 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.

No dividend was paid in the year to 31 March 2021 (2020: 4.62p per share).

The financial statements on pages 54 to 81 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
15 July 2021

Allan Porter
Group Finance Director
15 July 2021

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 chairperson 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

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

In addition to the above Mr S. C. Low and Mr C. K. Ching served as non-executive directors until 29 May 2020 and Mr Patrick Smith, served as a non-executive director from 29 May 2020 until 14 October 2020.

***Westgate House,** London W5*

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
Construction Director

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 construction director looking after our projects outside of London.

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. He now serves as construction director of Galliard Construction looking after our London projects.

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.

Investing in our environment

Greenhouse gas and emissions reporting

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

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

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

Emissions have decreased year-on-year largely due to the impact of COVID-19 on working practices. A large number of staff have worked from home for a significant proportion of the year reducing the group's expenditure on travel costs and the lower head count has also reduced energy consumption at the group's Head Office. The reduction in number of sites currently under construction has also contributed to the decrease. In addition to these factors, the group is continually adopting more energy-efficient working practices in order to reduce its carbon footprint.

	2021 KgCO2e	2020 KgCO2e
Scope 1 – Direct: Gas	1,276,944	1,298,036
Scope 1 – Direct: Diesel	458,148	555,675
Scope 1 – Direct: Other fuels	52,672	55,337
SCOPE 1 – DIRECT: TOTAL	**1,787,764**	**1,909,048**
Scope 2 - Indirect: Electricity	1,378,516	1,929,809
SCOPE 2 – INDIRECT: TOTAL	**1,378,516**	**1,929,809**
TOTAL (Scope 1 and 2) gross emissions	**3,166,280**	**3,838,857**
Turnover (Lookthrough) (£m)	390	432
Turnover ratio (Gross KgCO2e per £m)	8,119	8,886
Total energy consumed (kWh)	**14,992,269**	**17,138,628**

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 including movements during the year are shown in Note 24 to the financial statements on page 76.

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 £108,000 (2020: £284,000). The group made no political donations during the year (2020 - £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 61.

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 2021.

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.

Maine Tower • Harbour Central, *London E14*

Directors' statement of responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations.

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

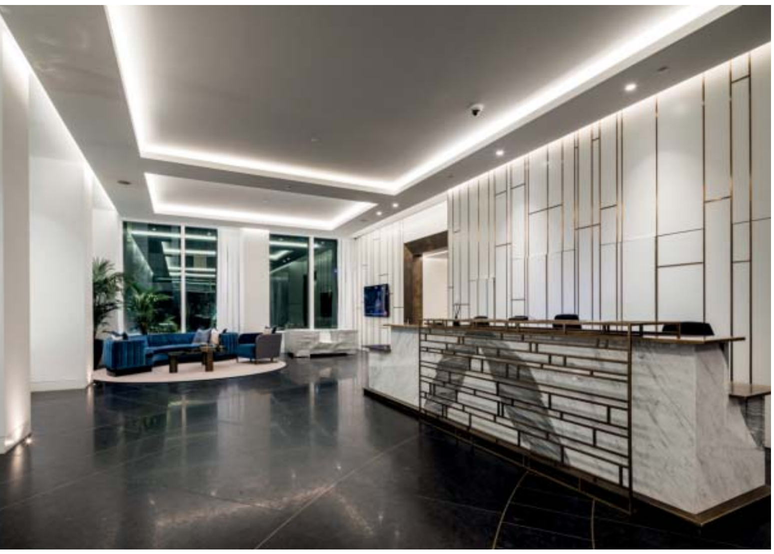
In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply 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
15 July 2021



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

Opinion

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 2021 and of the Group's profit for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Galliard Group Limited (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 March 2021 which comprise the Consolidated income statement, Consolidated statement of comprehensive income, the Consolidated and Company balance sheets, the Consolidated and Company statements 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).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

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

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

In light of the knowledge and understanding of the group and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the 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.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We gained an understanding using our general commercial and sector experience and through discussion with the Directors and other senior management of the legal and regulatory framework applicable to the Group and the industry in which it operates, and considered the risk of acts by the Group that were contrary to applicable laws and regulations, including fraud;
- We enquired of management and the Directors as to their identification of any non-compliance with laws or regulations, or any actual or potential claims;
- We performed our own checks of compliance with relevant areas identified which included financial reporting legislation (including related companies legislation), distributable profits legislation, taxation legislation, health & safety and anti-money laundering;
- We communicated identified laws and regulations and potential fraud risks throughout our team and remained alert to any indications of non-compliance or fraud throughout the audit;
- We agreed the financial statement disclosures to underlying supporting documentation to assess compliance with those laws and regulations having an impact on the financial statements
- We reviewed Board meeting minutes and enquired of the Directors and management as to the risks of non-compliance and any instances thereof.
- We challenged assumptions and judgements made by management in their significant accounting estimates, in particular in relation to cost forecasting and margin estimation.
- In relation to the risk of management override of internal controls, we undertook procedures to review journal entries processed during and subsequent to the year end and evaluated whether there was a risk of material misstatement due to fraud;
- We designed audit procedures at Group and Subsidiary levels to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: 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.

DocuSigned by:

A69F3BF7808C49C...

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

Date 15 July 2021

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

Maine Tower • Harbour Central, *London E14*

Consolidated income statement

for the year ended 31 March 2021

	Note	2021 £'000	2021 £'000	2020 £'000	2020 £'000
Turnover	3		293,929		398,013
Cost of sales			(244,914)		(371,551)
Gross profit			49,015		26,462
Overheads			(16,644)		(16,223)
Other operating income	6		16,832		18,204
Other operating expenses	7		(5,240)		(19,381)
Profit from the disposal of assets			28		1,115
Losses from fair value changes in investment properties	13		(7,708)		-
Group operating profit			36,283		10,177
Share of loss/(profit) in:					
- joint ventures	14	39,752		(8,364)	
- associates	14	(2,980)		(6,703)	
			36,772		(15,067)
Interest receivable and similar income	9		5,187		5,095
Interest payable and similar charges	10		(15,578)		(7,463)
Joint developers' share of losses			-		146
Profit/(loss) on ordinary activities before taxation			62,664		(7,112)
Tax on profit/(loss) on ordinary activities	11		(11,663)		(4,963)
Profit/(loss) for the financial year			51,001		(12,075)

All amounts relate to continuing operations.

The notes on pages 61-81 form part of these financial statements.

Consolidated statement of comprehensive income

for the year ended 31 March 2021

	Note	2021 £'000	2020 £'000
Profit/(loss) for the financial year		51,001	(12,075)
Revaluation deficit of owner occupied properties	13	**(1,393)**	-
Deferred tax in respect of items of other comprehensive loss		**265**	-
Other comprehensive loss for the year		**(1,128)**	-
Total comprehensive income/(loss) for the year		49,873	(12,075)
Profit/(loss) for the financial year is attributable to:			
Owners of the parent company		**52,672**	(10,096)
Non-controlling interest		**(1,671)**	(1,979)
		51,001	(12,075)
Total comprehensive income/(loss) is attributable to:			
Owners of the parent company		**51,544**	(10,096)
Non-controlling interest		**(1,671)**	(1,979)
		49,873	(12,075)

The notes on pages 61-81 form part of these financial statements.

Consolidated balance sheet

as at 31 March 2021

	Note	2021 £'000	2021 £'000	2020 £'000	2020 £'000
Fixed assets					
Intangible assets – negative goodwill	12		(4,503)		(4,756)
Tangible fixed assets	13		21,067		29,854
Investments	14		160,457		139,938
Current assets					
Investments	15	272		299	
Stocks	16	272,623		254,987	
Debtors - due in less than one year	17	137,086		120,878	
- due in more than one year	18	6,000		7,000	
Cash at bank and in hand		53,180		50,591	
		469,161		433,755	
Creditors: amounts falling due within one year	19	(252,486)		(256,880)	
Net current assets			216,675		176,875
Total assets less current liabilities			393,696		341,911
Creditors due in more than one year	20		(64,423)		(26,249)
Provisions for liabilities	22		(14,396)		(14,658)
Net assets			314,877		301,004
Capital and reserves					
Called up share capital	24		4		4
Revaluation reserve			6,157		13,862
Share premium account			77,755		77,755
Profit and loss account			224,213		200,202
Equity attributable to owners of the parent company			308,129		291,823
Non-controlling interest			6,748		9,181
Shareholders' funds			314,877		301,004

The financial statements were approved by the Board and authorised for issue on 15 July 2021.

D O'Sullivan
Director

The notes on pages 61-81 form part of these financial statements.

Company balance sheet

as at 31 March 2021

	Note	2021 £'000	2021 £'000	2020 £'000	2020 £'000
Fixed assets					
Investments	14		113,345		113,345
Current assets					
Debtors - due in less than one year	17	236,757		256,392	
Cash at bank and in hand		101		110	
		236,858		256,502	
Creditors: amounts falling due within one year	19	(43,000)		(43,021)	
Net current assets			193,858		213,481
Total assets less current liabilities			307,203		326,826
Net assets			307,203		326,826
Capital and reserves					
Called up share capital	24		4		4
Share premium account			77,755		77,755
Merger reserve			1,164		1,288
Profit and loss account			228,280		247,779
Shareholders' funds			307,203		326,826

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 £15,377,000 (2020 - £1,546,000).

The financial statements were approved by the Board and authorised for issue on 15 July 2021.

D O'Sullivan
Director

Company Registration No: 07947946

The notes on pages 61-81 form part of these financial statements.

Consolidated statement of changes in equity

as at 31 March 2021

	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 2020	4	13,862	77,755	-	200,202	291,823	9,181	301,004
Profit for the financial year	-	-	-	-	**52,672**	**52,672**	**(1,671)**	**51,001**
Revaluation surplus of owner occupied properties	-	(1,393)	-	-	-	(1,393)	-	(1,393)
Deferred tax in respect of items of other comprehensive loss	-	265	-	-	-	265	-	265
Other comprehensive loss for the year	-	**(1,128)**	-	-	-	**(1,128)**	-	**(1,128)**
Total comprehensive income for the year	-	**(1,128)**	-	-	**52,672**	**51,544**	**(1,671)**	**49,873**
Transfer to revaluation reserve	-	(6,577)	-	-	6,577	-	-	-
Shares issued during the year	-	-	-	-	-	-	-	-
Shares repurchased during the year	-	-	-	-	(35,000)	(35,000)	-	(35,000)
Dividends paid	-	-	-	-	-	-	(1,000)	(1,000)
Total contributions by and distributions to owners	-	**(6,577)**	-	-	**(28,423)**	**(35,000)**	**(1,000)**	**(36,000)**
Acquisition of non-controlling interest	-	-	-	-	(238)	(238)	238	-
Other reserve movements	-	-	-	-	**(238)**	**(238)**	**238**	-
Balance at 31 March 2021	4	6,157	77,755	-	224,213	308,129	6,748	314,877

	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

The notes on pages 61-81 form part of these financial statements.

Company statement of changes in equity

as at 31 March 2021

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

	Share capital £'000	Share premium account £'000	Merger reserve £'000	Warrant reserve £'000	Profit and loss account £'000	Total £'000
Balance as at 1 April 2019	4	49,999	1,812	3,750	260,104	315,669
Total comprehensive income 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

Consolidated statement of cash flows

as at 31 March 2021

	Note	2021 £'000	2020 £'000
Cash flows from operating activities			
Profit/(loss) for the financial year		51,001	(12,075)
Adjustments for:			
Depreciation, impairment and amortisation of fixed assets and goodwill		78	707
Share of (profit)/loss for the year of equity accounted investments	14	(36,772)	15,067
Unrealised currency translation losses/(gains)		-	(4)
Net fair value losses recognised in profit or loss		7,707	-
Net interest payable		10,391	2,368
Taxation charge	11	11,663	4,963
(Increase)/decrease in trade and other debtors		(13,468)	12,899
(Increase)/decrease in stocks		(15,157)	93,356
(Increase)/decrease in trade and other creditors		16,167	(31,501)
Decrease in provisions		(1,131)	(2,098)
Profit on disposal		(28)	(1,115)
Cash from operations		30,451	82,567
Interest paid		(6,433)	(5,919)
Taxation paid		(3,920)	(13,004)
Net cash generated from/(used in) operating activities		20,098	63,644
Cash flows from investing activities			
Proceeds from the sale of business assets		38	4
Purchases of tangible fixed assets		(603)	(652)
Interest received		3,298	2,442
Distributions received on fixed asset investments		22,126	137
Purchase of subsidiary undertakings		(19)	(13,908)
Net cash acquired with subsidiary undertaking		126	1,291
Capital repayments from fixed and current investments		9,355	5,360
Investment in fixed asset investments		(16,007)	(24,664)
Proceeds from the sale of fixed asset investments		-	4,019
Investment in other loans		(8,171)	(38,454)
Repayment of other loans		5,444	18,838
Net cash (used in)/generated from investing activities		15,587	(45,587)
Cash flows from financing activities			
Issue of ordinary share capital		-	21,584
Repurchase of own shares		(35,000)	-
Equity dividends paid		-	(1,889)
Equity dividends paid to non-controlling interests		(1,000)	-
Issue of shares to non-controlling interests		-	11,236
Bank and other loans drawn		63,676	67,612
Bank and other loans repaid		(62,899)	(107,333)
Net funds to joint developers		2,127	(25,857)
Net cash used in financing activities		(33,096)	(34,647)
Net increase/(decrease) in cash and cash equivalents		2,589	(16,590)
Cash and cash equivalents at the beginning of the year		50,591	67,181
Cash and cash equivalents at the end of the year		53,180	50,591
Cash and cash equivalents comprise:			
Cash at bank and in hand		53,180	50,591
		53,180	50,591

The notes on pages 61-81 form part of these financial statements.

Notes forming part of the financial statements

as at 31 March 2021

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 86 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 2021 the Group had external debt with a value of £55,128,000 payable within twelve months.

Since the year-end £8,992,000 of the total debt above has been repaid either partially or in full out of post year-end sales proceeds. Of the remaining £46,136,000, £16,897,000 is currently in the final stages of negotiations to renew with the existing lender which is expected to conclude by the end of July 2021. An additional £8,409,000 has been renewed post year end and £7,575,000 is expected to be renewed as it falls due in December 2021. The remaining £13,611,000 is expected to be paid from sales proceeds in the next 12 months. The group has developments with a gross development value of £29,542,000 which are expected to complete in the next 12 months. As at the year-end, contracts had been exchanged on properties with a gross development value of £64,388,000. Since the year-end no further 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 2021 had external debt with a gross value of £762,833,000, of which £262,140,000 is payable within twelve months. Since the year-end £32,695,000 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 £229,445,000 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 £482,437,000 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 had a marginal 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. 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

as at 31 March 2021

1 Accounting policies (continued)

Basis of consolidation

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

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

Joint ventures and associates

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

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

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

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

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

Turnover

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

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

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

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

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

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

1 Accounting policies (continued)

Goodwill

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

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

Intangible assets other than goodwill

Intangible assets recognised separately from goodwill comprises capitalised website development costs initially recognised at cost and subsequently measured at cost less accumulated amortisation and accumulated impairment losses, with amortisation commencing once the asset is ready for use. The carrying value of the intangible asset is reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

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 2021 £'000	Group 2020 £'000
Turnover comprises:		
Amount from contracted construction work	159,738	149,636
Amount from the sale of residential property	134,191	248,377
Total	293,929	398,013

4 Employees

	Group 2021 £'000	Group 2020 £'000
Staff costs consist of:		
Wages and salaries	21,847	27,762
Social security costs	2,585	3,322
Other pension costs	1,828	2,418
Total	26,260	33,502

	Number	Number
The average number of employees, including directors during the year was:		
Construction	194	246
Sales	41	50
Administration	115	128
Total	350	424

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 £1,828,000 (2020 - £2,418,000).

5 Directors' emoluments

	2021 £'000	2020 £'000
Directors' remuneration consists of:		
Remuneration for qualifying services	3,423	5,353
Company pension contributions to defined contribution schemes	120	151
Total	3,543	5,504

Pension contributions accrue in respect of 4 directors.

	2021 £'000	2020 £'000
Highest paid director:		
Salary and other taxable benefits	1,601	1,895
Company pension contributions to defined contribution schemes	88	19
Total	1,689	1,914

as at 31 March 2021

6 Other operating income

	Group 2021 £'000	Group 2020 £'000
Development management fees	3,924	5,062
Rental income	8,006	7,512
Commissions	315	211
Property management services	1,774	1,602
Forfeited deposits	196	489
Investment and other income	2,617	3,328
Total	16,832	18,204

7 Other operating expenses

	Group 2021 £'000	Group 2020 £'000
Rental expenses	5,001	6,629
Property management services	1,091	996
Impairment of related party and other debtors	236	11,954
Onerous lease provision	(1,088)	(198)
Total	5,240	19,381

8 Group operating profit

	2021 £'000	2020 £'000
This has been arrived at after charging:		
Depreciation - owned assets	280	202
Operating lease expense	1,965	1,621
Principal auditor's remuneration		
Audit (Company £20,500, 2020 - £20,600)	425	425
Taxation compliance and advisory services	175	375
Release of negative goodwill	(253)	(1,937)
Impairment of fixed asset investments	1,367	1,305
Impairment (reversal)/charge of stock	(2,641)	5,738

9 Interest receivable and similar income

	Group 2021 £'000	Group 2020 £'000
Bank interest	**5**	160
Other interest	**5,182**	4,935
Total	**5,187**	5,095

10 Interest payable and similar charges

	Group 2021 £'000	Group 2020 £'000
Bank loans	**6,419**	5,705
Other loans	**2,217**	3,851
Amortisation of issue costs	**1,295**	1,430
Preference dividend	**2,150**	2,150
Increase/(decrease) in provisions for joint developer obligations	**3,497**	(5,673)
Total	**15,578**	7,463

as at 31 March 2021

11 Tax on profit/(loss) on ordinary activities

	Group 2021 £'000	Group 2020 £'000
Corporation tax charge for the year	8,676	1,388
Current tax adjustment in respect of previous years	2,427	2,996
Total current tax charge for the year	11,103	4,384
Deferred tax charge for the year	320	545
Deferred tax adjustment in respect of previous years	240	34
	11,663	4,963
Tax reconciliation:		
Profit/(loss) on ordinary activities before taxation	62,664	(7,112)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	11,906	(1,350)
Effects of:		
Expenses not deductible for tax purposes	2,009	(1,689)
Adjustments to tax charge in respect of prior years	2,667	3,030
Share of joint venture losses/(profits)	(4,011)	2,410
Non taxable write back of negative goodwill	(48)	(368)
Different tax rates on deferred tax	-	298
Unrecognised deferred tax	(119)	4,563
Non taxable income	(769)	(3,205)
Other movements	28	1,274
Total tax charge for the year	11,663	4,963

The deferred tax credit relating to items recognised in other comprehensive income is a credit of £265,000 (2020 - £nil).

12 Intangible assets

Negative goodwill	Group 2021 £'000	Group 2020 £'000
Cost		
At 1 April	(4,756)	(6,693)
Realised in profit and loss account	253	1,937
At 31 March	(4,503)	(4,756)

13 Tangible fixed assets

Group	Property £'000	Fixtures and equipment £'000	Motor vehicles £'000	Total £'000
Cost or valuation				
At 1 April 2020	29,210	2,959	970	33,139
Additions	409	132	62	603
Revaluation	(9,101)	-	-	(9,101)
Disposals	-	(319)	(160)	(479)
At 31 March 2021	**20,518**	**2,772**	**872**	**24,162**
Depreciation				
At 1 April 2020	-	2,789	496	3,285
Charge for the year	-	93	187	280
Disposals	-	(319)	(151)	(470)
At 31 March 2021	**-**	**2,563**	**533**	**3,096**
Net book value				
At 31 March 2021	**20,518**	**209**	**340**	**21,067**
At 31 March 2020	29,210	170	474	29,854

Property	Investment property £'000	Owner occupied property £'000	Long leasehold property £'000	Total £'000
Cost or valuation				
At 1 April 2020	24,244	4,466	500	29,210
Additions	345	64	-	409
Transfer to owner occupied	-	-	-	-
Revaluation	(7,708)	(1,393)	-	(9,101)
Disposals	-	-	-	-
At 31 March 2021	**16,881**	**3,137**	**500**	**20,518**
Net book value				
At 31 March 2021	**16,881**	**3,137**	**500**	**20,518**
At 31 March 2020	24,244	4,466	500	29,210

Valuation

The group's investment properties, including owner-occupied property, were valued by the directors as at 31 March 2021. In their opinion, the fair market value was £20,018,000 (2020 - £28,710,000) as compared to a historical cost of £12,919,000 (2020 - £12,511,000).

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 2020	105,418	55,575	4,324	165,317
Additions	14,984	915	108	16,007
Return of investment funding	(9,335)	(20)	-	(9,355)
Transfer to subsidiary	(817)	-	-	(817)
Impairments	(24)	(1,343)	-	(1,367)
At 31 March 2021	**110,226**	**55,127**	**4,432**	**169,785**
Share of retained profits				
At 1 April 2020	(12,284)	(13,095)	-	(25,379)
Total comprehensive income for the year	39,752	(1,637)	-	38,115
Amounts distributed	(22,126)	-	-	(22,126)
Transfer to subsidiary	62	-	-	62
At 31 March 2021	**5,404**	**(14,732)**	**-**	**(9,328)**
Net book value				
At 31 March 2021	**115,630**	**40,395**	**4,432**	**160,457**
At 31 March 2020	93,134	42,480	4,324	139,938

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

Fixed asset investments

Company	Subsidiary undertakings £'000	Joint ventures £'000	Total £'000
Cost			
At 1 April 2020 and 31 March 2021	**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 2020	**299**	-
Impairment	(27)	
At 31 March 2021	**272**	-

16 Stocks

	Group 2021 £'000	Group 2020 £'000
Development properties held in work in progress	**272,623**	254,987
Total	**272,623**	254,987

Stock recognised in cost of sales during the year as an expense was £79,756,000 (2020 - £189,556,000).

Impairment reversals of £2,641,000 (2020 - losses of £5,738,000) were recognised in cost of sales against stock during the year due to market conditions.

Total stock held as security against loans was £162,402,000 (2020 - £160,342,000).

17 Debtors due in less than one year

	Group 2021 £'000	Group 2020 £'000	Company 2021 £'000	Company 2020 £'000
Trade debtors	**12,970**	9,690	-	-
Amounts owed by subsidiaries	-	-	**231,981**	252,067
Amounts owed by related companies	**41,155**	36,354	-	-
Loans receivable	**18,421**	13,659	**1,315**	1,315
Amounts due in respect of joint developments	**3,543**	3,620	-	-
Corporation tax	-	2,791	-	-
Prepayments and accrued income	**24,754**	22,176	-	-
Other debtors	**36,243**	32,588	**3,461**	3,010
Total	**137,086**	120,878	**236,757**	256,392

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

as at 31 March 2021

18 Debtors due in more than one year

	Group 2021 £'000	Group 2020 £'000	Company 2021 £'000	Company 2020 £'000
Loans receivable	6,000	7,000	-	-

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

19 Creditors: amounts falling due within one year

	Group 2021 £'000	Group 2020 £'000	Company 2021 £'000	Company 2020 £'000
Loans and overdrafts	**55,128**	87,510	-	-
Trade creditors	**20,707**	26,180	-	
Amounts owed to related companies	**23,027**	19,927	-	-
Amounts due in respect of joint developments	**33,566**	28,071	-	-
Corporation tax	**4,393**	-	-	-
Other tax and social security	**2,411**	1,654	-	-
Other creditors	**29,658**	23,149	-	-
Deferred tax (note 23)	**2,294**	1,998	-	-
Accruals and deferred income	**38,304**	25,391	-	21
Preference shares	**43,000**	43,000	**43,000**	43,000
Total	**252,486**	256,880	**43,000**	43,021

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

The group has fixed rate loans of £14,291,000 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 2021:

	2021 £'000	2020 £'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 2021 £'000	Group 2020 £'000	Company 2021 £'000	Company 2020 £'000
Bank and other loans	**64,423**	**26,249**	-	-
Bank, other loans and preferences shares due: in one year or less, or on demand	**98,128**	130,510	**43,000**	43,000
Between one and two years	**1,825**	21,223	-	-
Between two and five years	**58,755**	1,039	-	-
Over five years	**3,843**	3,987	-	-
Total	**64,423**	26,249	-	-

Bank loans are shown net of issue costs of £2,499,000 (2020 - £721,000). 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 2021 £'000	Group 2020 £'000	Company 2021 £'000	Company 2020 £'000
Financial assets				
Financial assets measured at amortised cost	**180,259**	165,091	**236,858**	256,502
Financial liabilities				
Financial liabilities measured at amortised cost	**284,110**	265,053	**43,000**	43,021

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.

as at 31 March 2021

22 Provisions for liabilities

	Group 2021 £'000	Group 2020 £'000
Provisions for liabilities and charges comprises:		
Provisions for joint developer obligations	8,496	7,632
Other provisions	5,900	7,026
	14,396	14,658
Movement in provisions:		
At 1 April	14,658	41,432
Provisions created	4,123	1,591
Provisions utilised	(2,628)	(19,003)
Provisions released	(1,757)	(9,362)
At 31 March	14,396	14,658

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 surrender of lease continue until December 2022. The timing of settlement of the legal costs provided is uncertain.

23 Deferred taxation

The deferred tax liability is as follows:

	Group 2021 £'000	Group 2020 £'000
Business combinations	(452)	129
Property revaluations	612	2,094
Unrealised intra-group profits	1,953	(426)
Other timing differences	181	201
	2,294	1,998

24 Called up share capital

	2021 £'000	2020 £'000
Authorised		
40,879,167 ordinary shares of £0.0001 each	4	4
	4	4
Called up, allotted and fully paid		
35,156,084 ordinary shares of £0.0001 each (2020 - 40,879,167)	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 of its own ordinary shares and on 14 October 2020 the Company repurchased a further 5,723,083 of its own ordinary shares of £0.0001 each from exiting shareholders for £35,000,000. The purchases were made from the Company's distributable reserves.

All shares rank pari passu in all respects.

25 Dividends

	2021 £'000	2020 £'000
Ordinary shares		
Dividend of nil (2020 - 5 pence per share)	-	1,889
At 31 March	-	1,889

On 18 December 2019 a dividend of 4.62 pence per share was paid to the holders of the ordinary shares in the company. During the year, a dividend of £1,000,000 (2020 - £nil) was paid by one of the group's subsidiary companies to a non-controlling interest.

26 Warrant reserve

	2021 £'000	2020 £'000
At 1 April	-	3,750
Warrant exercised	-	(3,750)
At 31 March	-	-

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 2021 £'000	Group 2020 £'000
Planning overage	**4,838**	4,335

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 £4,838,000 (2020 - £8,335,000).

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 2021 £'000	Group 2020 £'000
Operating leases which expire:		
Not later than 1 year	-	1,209
Later than 1 year and not later than 5 years	-	5,126
Later than 5 years	-	9,673
Total	-	16,008

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 2021 £'000	Group 2020 £'000
Not later than 1 year	**3,109**	2,732
Later than 1 year and not later than 5 years	**9,856**	7,605
Later than 5 years	**479,692**	471,777
Total	**492,657**	482,114

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

29 Capital commitments

There were no capital commitments at the year-end (2020 - £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 2021 £'000	Group 2020 £'000	Company 2021 £'000	Company 2020 £'000
	59,120	58,263	**59,120**	55,763

The group's guarantees are stated net of counter guarantees provided by certain joint venture partners of £101,470,000 (2020 - £109,774,000). Company - £101,470,000 (2020 - £107,274,000).

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.

	2021 £'000	2020 £'000
Details of the outstanding balances are:		
Lancelot Management Limited	**191**	191
Real Estate Investment & Trading Limited	**1,412**	1,405
Handspan Limited	**5,382**	5,461
Galliard Trading Limited	**401**	374
	7,386	7,431

The group had outstanding balances at the balance sheet date with Reflex Bridging Limited, a company controlled by Mr S S Conway, comprising loans from the group of £1,711,000 (2020 - £2,027,000) bearing interest at rates between 8% and 12% and loans to the group of £10,735,000 (2020 - £5,825,000) bearing interest at rates between 6.5% and 12%.

Amounts due in respect of properties owned by Mr S S Conway totalled £207,000 (2020 - £205,000).

31 Related party transactions (continued)

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 (2020 - £8,000), an outstanding balance owing from Pointstart Limited, a company controlled by Mr D E Conway, of £28,000 (2020 - £2,000) 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 (2020 - £58,000). The balances do not carry interest nor are there any formal terms of repayment.

The group had balances outstanding at the balance sheet date with Plotplan Limited, a company controlled by Mr R M Conway and Mr D E Conway, including a loan provided by Plotplan Limited to the group of £4,830,000 (2020 - £4,472,000) to assist with working capital in respect of a development site. Interest is charged on the loan at 8% and the loan is repayable on demand. An additional balance of £1,843,000 (2020 - £1,914,000) is outstanding and owing to Plotplan Limited which does not carry interest and for which there are no formal terms of repayment.

The group 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 £4,435,000 (2020 - £4,155,000). Interest was charged during the year on loan principals totalling £2,013,000 (2020 - £5,283,000) at a rate of 10% (2020 - between 8% and 10%).

The following loan balances were due (to)/from directors of the group as at 31 March 2021:

	At 1 April 2020 £	Movement in year 2021 £	At 31 March 2021 £	Highest sum outstanding during year £
Mr S S Conway	(1,518,000)	(783,000)	(2,301,000)	(2,301,000)
Mr D O'Sullivan	3,498,000	19,000	3,517,000	3,517,000
Mr D E Conway	198,000	3,000	201,000	201,000
Mr G A Conway	-	10,000	10,000	10,000
Mr R M Conway	36,000	(15,000)	21,000	36,000
Mr J M Morgan	39,000	1,000	40,000	40,000

During the year the company paid £nil (2020 - £972,000) in dividends to directors who are also shareholders.
During the year the directors claimed a total of £2,063 (2020 - £21,179) in company related expenses.
No amounts are paid to any director other than those disclosed elsewhere in the report.

Key management personnel

All directors who have authority and responsibility for planning, directing and controlling the activities of the Group are considered to be key management personnel. Total remuneration is respect of these individuals is £3,533,000 (2020 - £5,504,000).

Joint venture and associated companies

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

	Group 2021 £'000	Group 2020 £'000
Net sales of goods and services	**149,803**	129,480
	149,803	129,480

A total amount of £134,219,000 (2020 - £134,213,000) 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.

33 Subsidiary undertakings, associates and joint ventures

Subsidiary undertakings	% Held	
581 & 581B Kenton Lane Limited	100%	*
Acorn & GH (RF) Limited	67%	*
Acorn (Chillington) Limited	50%	*
Arches Southall (West) Limited	100%	*
Baltimore Wharf SLP	50%	*
Baltimore Wharf Ground Rent Limited	50%	*
Baltimore Wharf (GP) Limited	50%	*
Bear Lane Arches Limited	50%	*
Bestzone Limited	100%	*
Bluecroft Riverdale LLP	100%	*
Bourne Court Properties Limited	100%	*
Brentwood Developments Limited	50%	*
Carlton House Developments Limited	100%	*
Central Living (Exeter) Limited	100%	*
Chiltern Court Properties Limited	100%	*
Choicetime Limited	100%	*
Cygnet Street Developments Limited	100%	*
Derby Terrace Limited	100%	*
Drayton Park Developments Limited	100%	*
Dunford Court Management Limited	100%	*
Evolve (Colchester) Limited	100%	*
Evolve (Milton Keynes) Limited	100%	*
Erinlink Limited	100%	*
Felcon Blackheath Limited	75%	*
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 Investments Limited	100%	*
Galliard (Strand) Limited	100%	*
GH/AH Bear Lane Limited	50%	*
GHL (Bath) Limited	100%	*
GHL (BPC) Limited	100%	*
GHL (Bedminster Bristol) Limited	50%	*
GHL (Berkhamsted) Limited	62%	*
GHL (Brook Road) Limited	100%	*
GHL (Bristol) Limited	100%	*
GHL (Chigwell) Limited	100%	*
GHL (CLG) Limited	100%	*
GHL (Hampshire) Limited	100%	*
GHL (Harlow) Limited	100%	*
GHL (Haywards Heath) Limited	100%	*
GHL (Hendon Hall) Limited	100%	*
GHL (Kilmorie) Limited	100%	*
GHL (Leegate) Limited	100%	*
GHL (Lisburn NI) Limited	100%	*
GHL (Mallorca West) Limited	100%	*
GHL (Merrick Road) Limited	100%	*
GHL (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 (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%	*

	% Held	
Gladstone Holdings Limited	100%	*
Goldenmill Limited	65%	*
Goodmayes 40 Limited	100%	*
GSY Operations Limited	100%	*
Haywards Heath Developments Limited	100%	*
Heartpride Limited	33%	*
Heatpoint Limited	50%	*
Honiton Developments Limited	100%	*
Iconshield Limited	100%	*
Isle Of Dogs Developments Limited	100%	*
Isle Of Dogs Developments 2 Limited	100%	*
Jewelside Limited	100%	*
Kewdeal Limited	67%	*
Kilmorie Investments LLP	100%	*
Kilmorie Properties Limited	100%	*
Lastzone Limited	100%	*
Leonardo Investments Limited	100%	*
Limetown Limited	49%	*
Lionpride Limited	30%	*
Lionstar Limited	100%	*
Lodgeshine Limited	100%	*
Ludgate Broadway Limited	100%	*
Liftzone Limited	100%	*
Metrosold Limited	100%	*
Millharbour Developments Limited	100%	*
NCQ Developments Limited	100%	*
Netcircle Limited	100%	*
Netlink Limited	49%	*
Nileford Limited	100%	*
Norlington Road developments limited	100%	*
Northwood Street Limited	50%	*
Northwood Street 2 Limited	50%	*
Orchid Capital (PCC) Limited (Guernsey)	100%	*
Ovingdean Hall College Limited	100%	*
Property Management Matters Limited	80%	*
Quickdrop Limited	100%	*
Raceguide Limited	100%	*
Red Lion Court Developments Limited	100%	*
Raphael Investments Limited	100%	*
Retallack Construction Limited	100%	*
Retallack Holidays 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 Development Limited	50%	*
Soho Loop Limited	50%	*
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%	*
Windora Limited	65%	*
Workout Limited	100%	*
Yasfind Limited	100%	*
Yewacre Limited	100%	*
Zerodown Limited	100%	*

Joint Ventures	% Held	
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%	*
FGA Developments Limited	50%	*
Finchley Road (Smiths) Limited	50%	*
Findmark Limited	67%	*
Galliard Caldecotte Holdco Limited	57%	*
Galliard Caldecotte Limited	57%	*
GDL Holdco Limited	50%	#
GHL (Carlow) Limited	33%	*
GHL (Crescent Lane) Limited	50%	*
GHL (Eagle Wharf Rd) Limited	20%	*
GHL (Hackney Wick) Limited	30%	*
GHL (Portobello Road) Limited	50%	*
GHL (Watford) Limited	50%	*
GHL (Wickside) Limited	30%	*
GHL Chiltern Street Limited	60%	*
Goodmayes 19 Limited	75%	*
Hope house (Bath) Limited	50%	*
Kelsworth Limited	67%	*
Land & Site Acquisitions Limited	25%	*
Life At Limited	50%	*
Markhome Limited	50%	*
Maxillia Properties Limited	50%	*
Merton Acquisitions Limited	50%	*
New Road (Crouch End) Limited	25%	*
Perranporth Developments Limited	50%	*
Pershore Street Limited	38%	*
Redington Developments (Apsley) Limited	45%	*
Ridgeton Limited	67%	*
Signature Resorts (UK) Limited	71%	*
Stamford Hounslow Limited	30%	*
Stratford High Street Ventures Limited	75%	*
Stratford High Street Limited	75%	*
The Cut Developments Limited	50%	*

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

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

directly held
* indirectly held

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:

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

Look through results (unaudited)

as at 31 March 2021

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 2021						
Turnover	**293,929**	**(37,379)**	**145,042**	**-**	**(11,980)**	**389,612**
- Construction	*159,738*	*(37,379)*	*-*	*-*	*-*	*122,359*
- Developments	*134,191*	*-*	*145,042*	*-*	*(11,980)*	*267,253*
Cost of sales	**(244,914)**	**39,393**	**(99,414)**	**(171)**	**11,708**	**(293,398)**
- Construction	*(136,290)*	*37,379*	*-*	*-*	*-*	*(98,911)*
- Developments	*(108,624)*	*2,014*	*(99,414)*	*(171)*	*11,708*	*(194,487)*
Gross profit	**49,015**	**2,014**	**45,628**	**(171)**	**(272)**	**96,214**
- Construction	*23,448*	*-*	*-*	*-*	*-*	*23,448*
- Developments	*25,567*	*2,014*	*45,628*	*(171)*	*(272)*	*72,766*
Overheads	(16,644)	-	(5,255)	(308)	48	(22,159)
Other operating income	16,832	(2,014)	16,168	520	(1,609)	29,897
Other operating expenses	(5,240)	-	(875)	(1,815)	2,086	(5,844)
Profit from the disposal of assets	28	-	-	-	-	28
Gains from fair value changes in investment properties	(7,708)	-	-	1,298	-	(6,410)
Group operating profit	**36,283**	**-**	**55,666**	**476**	**253**	**91,726**
Share of profit/(loss) in:						
Joint ventures	39,752	(39,752)	-	-	-	-
Associates	(2,980)	2,980	-	-	-	-
	36,772	**(36,772)**	**-**	**-**	**-**	**-**
Interest receivable and similar income	5,187	-	389	1	(22)	5,555
Interest payable and similar charges	(15,578)	-	(9,566)	(2,487)	1,422	(26,200)
Joint developers' share of losses	-	-	-	-	-	-
Profit/(loss) on ordinary activities before taxation	**62,664**	**(36,772)**	**46,489**	**(2,953)**	**1,652**	**71,081**
Tax on (loss)/profit on ordinary activities	(11,663)	-	(6,737)	(27)	18	(18,409)
Profit/(loss) for the financial year	**51,001**	**(36,772)**	**39,752**	**(2,980)**	**1,671**	**52,672**
Non-controlling interests	1,671	-	-	-	(1,671)	-
Profit for the financial year attributable to owners of the parent	52,672	(36,772)	39,752	(2,980)	-	52,672

Gross profit margin	**16.7%**		**31.5%**			**24.7%**
- Construction	*14.7%*		*0.0%*			*19.2%*
- Developments	*19.1%*		*31.5%*			*27.2%*
Operating margin	**12.3%**		**38.4%**			**23.5%**

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 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)

as at 31 March 2021

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 2021	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	(4,503)	-	-	-	-	(4,503)
Intangible assets - other	-	-	-	-	-	-
Tangible fixed assets	21,067	-	714	-	(8)	21,773
Fixed asset investments	160,457	(156,025)	23,725	-	-	28,157
	177,021	**(156,025)**	**24,439**	**-**	**(8)**	**45,427**
Current asset investments	272	-	-	-	-	272
Stocks	272,623	-	266,103	88,817	(54,313)	573,230
Debtors	143,086	-	22,003	10,958	7,899	183,946
Cash at bank and in hand	53,180	-	30,405	501	7,899	74,771
	469,161	**-**	**318,511**	**100,276**	**(55,729)**	**832,219**
Creditors: amounts falling due within one year	**(252,486)**	**-**	**(156,595)**	**(14,233)**	**35,162**	**(388,152)**
Net current assets	216,675	-	161,916	86,043	(20,567)	444,067
Total assets less current liabilities	393,696	(156,025)	186,355	86,043	(20,575)	489,494
Creditors due in more than one year	(64,423)	-	(70,725)	(45,648)	13,827	(166,969)
Provisions for liabilities	(14,396)	-	-	-	-	(14,396)
Net assets	314,877	(156,025)	115,630	40,395	(6,748)	308,129
Non-controlling interests	(6,748)				6,748	-
Equity attributable to owners of the parent	308,129	(156,025)	115,630	40,395	-	308,129

Consolidated net assets 2020	£'000	£'000	£'000	£'000	£'000	£'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

View from Baltimore Tower, *London E14*

Directors

S S Conway

J P White

D O'Sullivan

D E Conway

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, resigned 14 October 2020))

J C Brand
(appointed 29 May 2020)

Secretary and registered office

A W Porter

3rd Floor Sterling House, Langston Road, Loughton, Essex, IG10 3TS

Company number

07947946

Auditor

BDO LLP
55 Baker Street, London, W1U 7EU

Head Office Contact

020 8418 1000

London Central Sales

020 7620 1500

www.galliardhomes.com

The 40 Elephants cocktail bar, Great Scotland Yard Hotel, *London SW1A*

Galliard
Group Limited