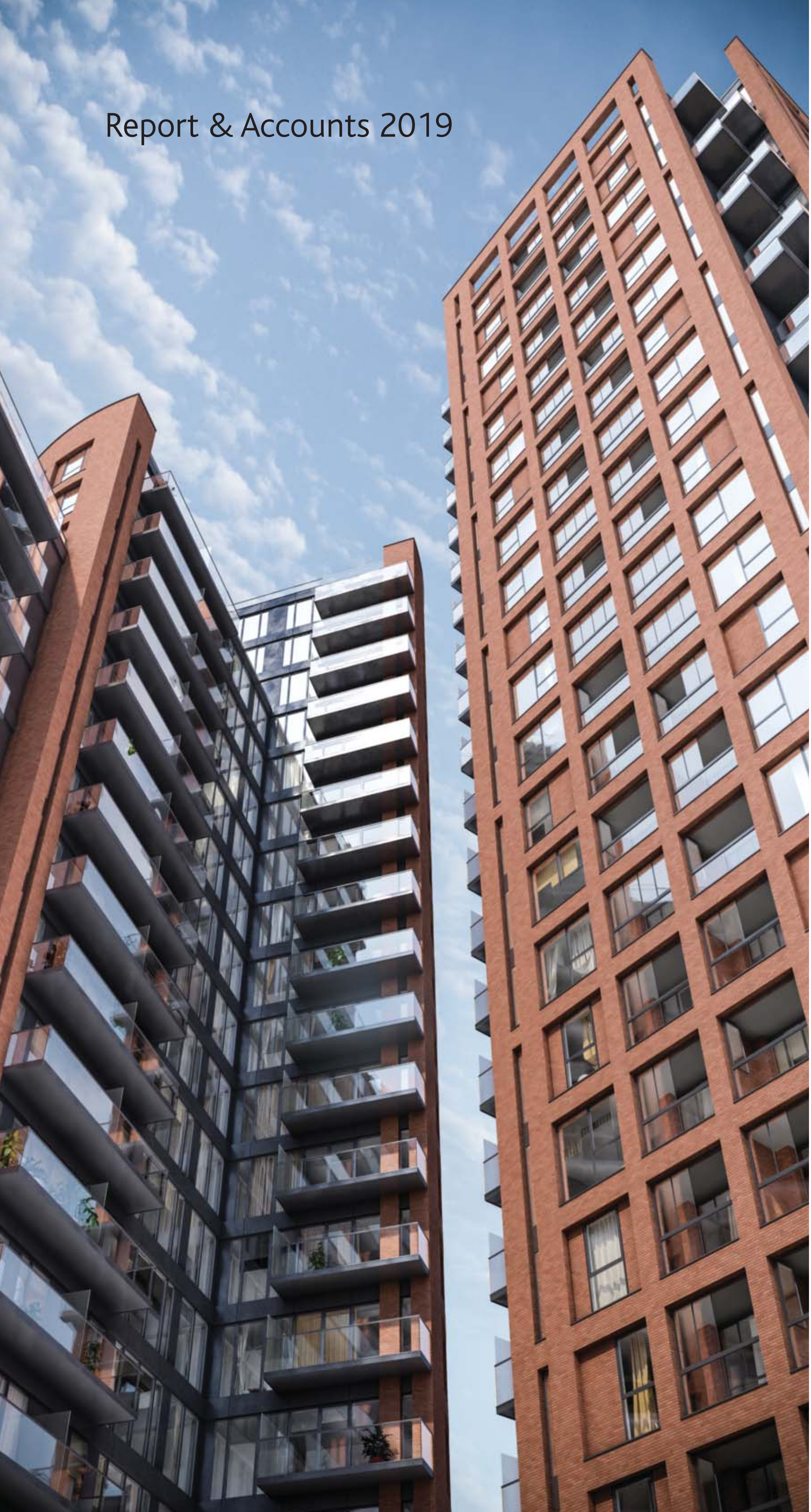
Report & Accounts 2019



Galliard
Group Limited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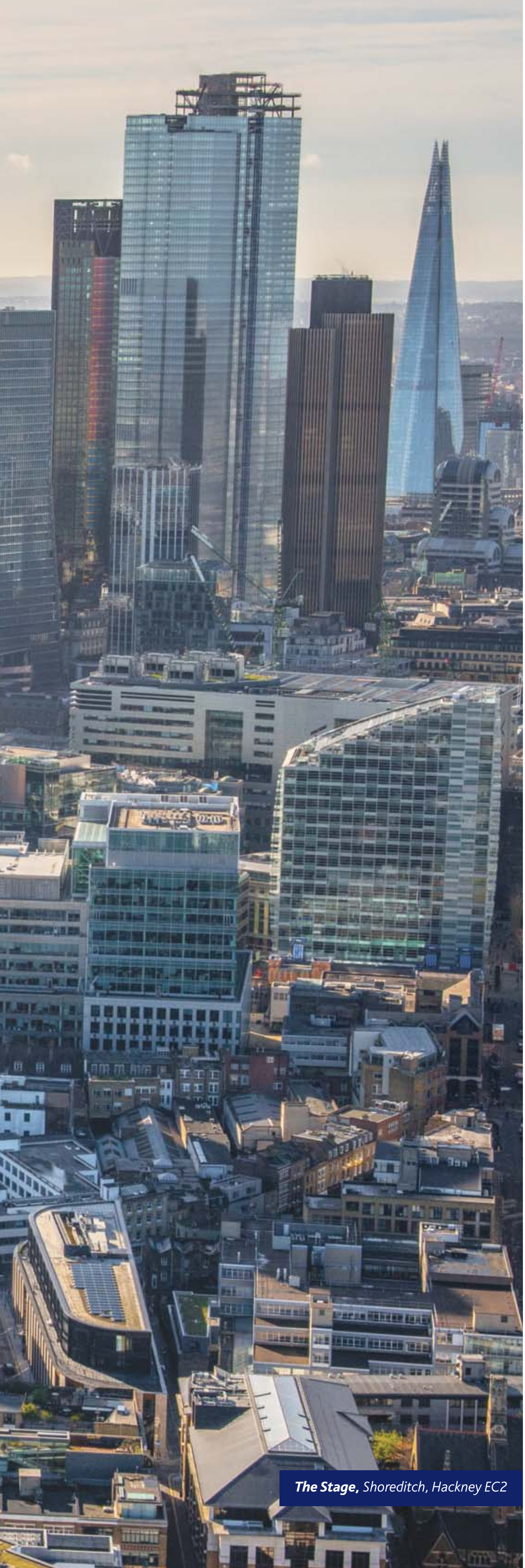

The Stage, *Shoreditch, Hackney EC2*

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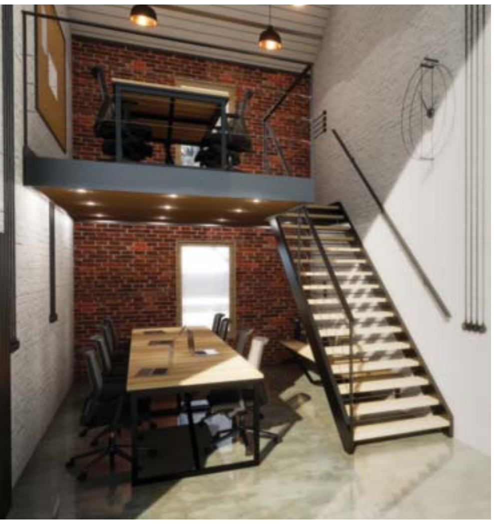


Galliard at a Glance

Evolve, *Colchester CO7*

Great Scotland Yard, *Westminster SW1*

Products

Residential

Galliard Homes' core product is residential apartments which has led to them becoming the largest privately owned residential developer in London.

Where planning requires, houses are also built, but at a significantly smaller volume.

Commercial

Mixed use developments are common that have a commercial element and we are currently piloting our 'Evolve' concept for small businesses.

Hotels

Although not core to our business model, we have built some prestigious hotels over the past few years, none more so than the recently completed Great Scotland Yard hotel which is, arguably, one of the finest in London.

Markets

Buy-to-Let

We have a strong customer base in the investment community with many repeat buyers who have built their own portfolio of Galliard properties.

Buy-to-Live

Increasingly we are selling to owner occupiers particularly since the advent of the government's 'Help to Buy' scheme. In the past year we have sold a total of 120 properties with a combined value of £49m under this scheme.

Buy-for-Family

We have always enjoyed an excellent reputation amongst overseas buyers especially those from the Far East who will buy apartments for their children to live in whilst they study in the UK.

Ethos

Value for Money

Our commitment is to build high quality, market leading homes at highly competitive prices that give our customers true value for money.

Location

We are leaders in urban regeneration and will look for undervalued locations that are set to benefit from infrastructure investment in order to provide our customers with the maximum upside potential.

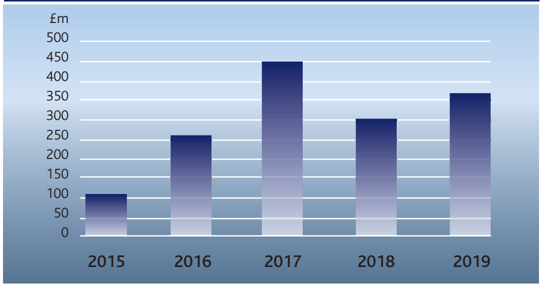
Staff Motivation

In order to deliver on our commitments we provide our staff with a working environment that encourages the development of the skills and expertise necessary to achieve our goals.

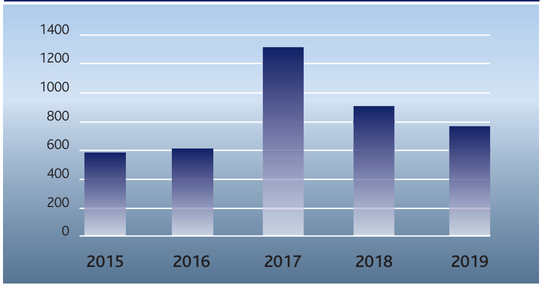
Galliard
Group Limited

Five year performance highlights

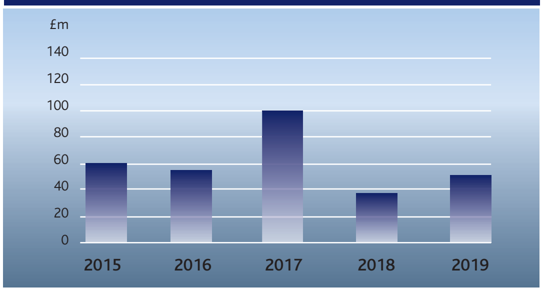
TURNOVER



HOMES COMPLETED

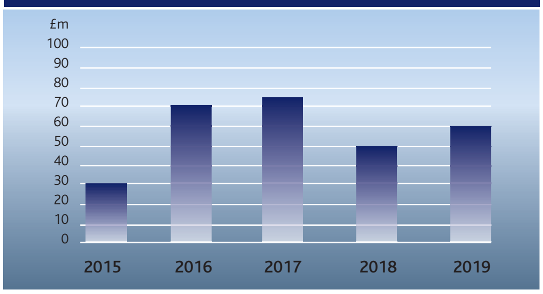


OPERATING PROFIT

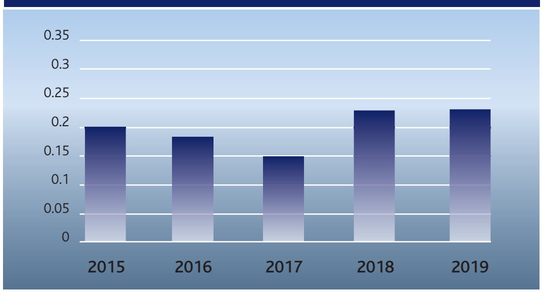


SITES UNDER DEVELOPMENT

PROFIT BEFORE TAX

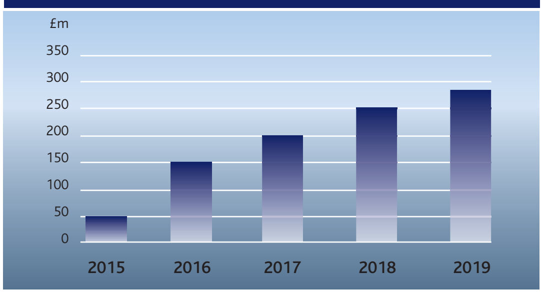


SAFETY AT THE WORKPLACE

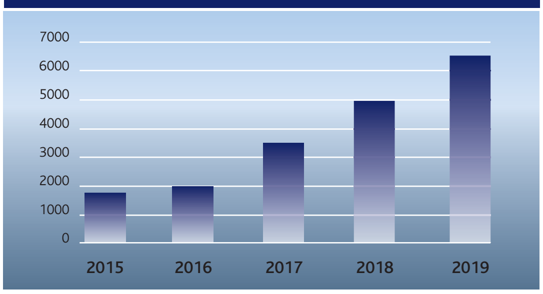


Reportable injury incidence rate

NET ASSETS



FUTURE OUTLOOK



New homes in process of development

***Honda Garage,** Southall, Ealing UB2*

Chairman's statement

I am again able to report another positive performance by the group and am delighted with the progress we have made against the backdrop of a challenging economic environment. We have shown for many years that our business model is both sound and resilient to external pressures and we will continue to strengthen our trading base with the aim of sustained and controllable growth in the future.

Pre-tax profits of £62m are highly satisfactory in such difficult trading conditions although our own measure of success focuses on improvements in net asset value over the medium to long term rather than on short term profit performance so we would rather be judged on this more appropriate criteria. The government's Help to Buy scheme has provided considerable assistance to our quoted housebuilding competitors over the past few years but has been of far less importance to us because the value of our finished product tends to be less suited to the rules of the scheme . With a number of pre-sold sites reaching completion in the current year we anticipate another robust trading performance for the financial year to 31 March 2020.

Without doubt the single most influential factor affecting the UK economy in the recent past is the debacle that we know by the name of Brexit. The impotence of our political system has served only to magnify the stresses placed on our economy and it can only be hoped that the recent changes in personnel at the top of our government will result in greater clarity over the process at the earliest opportunity. Prolonged uncertainty about the eventual outcome has put investment decisions on hold for both businesses and households at home and abroad and has left international confidence at a very low ebb.

Marine Wharf East, *Lewisham SE16*

For Galliard and the housing sector in general, the resultant interference with the operation of the free market has driven away potential international purchasers which should have been entirely predictable and shows our politicians as, at best, naïve but more probably as having a complete lack of foresight.

We are already seeing a correction in London prices which is bringing property back towards affordable levels, although there is still some way to go before the dream of house ownership is within the reach of the majority of the younger generation. This realignment together with a dearth of new housing projects will inevitably result in a London bounce similar to those we saw in 1974, 1989 and 2009.

As a counterpart to the fall in house prices, more prudent land purchasing strategies by residential social landlords and private equity investors have pushed land values down to levels that allow reasonable returns to be made by developers.

Away from general market indicators, we are delighted to have recently secured planning permission for 1,135 residential units at our Cantium Retail Park site in the Old Kent Road that we are managing in conjunction with Aviva. This will be a mixed-use scheme that incorporates a 48-storey residential tower as well as retail, commercial and leisure facilities. Over a third of the residential units will be designated as affordable housing.

In Birmingham, our joint venture with Apsley House Capital continues to flourish. We are now working together on five projects, one under construction and four in planning, all in superb city-centre locations. Each are going to both benefit from and contribute to the investment that the city is attracting. The regeneration projects that are either planned or under way will make a massive contribution to the vibrancy of the area, making it one of the most desirable places in the country to live. Our projects will add around two thousand homes to the local housing stock as well as commercial, retail and leisure facilities.

We are continuing with the market testing of our Evolve business space model. The concept is aimed at small businesses, particularly start-ups, which will benefit from high quality, convenient, local premises at affordable rents. The model will also appeal to buy-to-let investors because of the attractive terms, potential returns and tax incentives available. Sites have already been acquired in Colchester and Milton Keynes and further locations are being identified should the concept prove successful.

At the heart of the St James's district of Westminster our prestigious remodelling of the former Metropolitan Police headquarters in Great Scotland Yard has recently been completed. The resultant five star hotel ranks as one of, if not the finest in the capital and provides 153 luxury bedrooms as well as a signature restaurant, library, gym, cocktail bar and ballroom amongst many other impressive facilities. The hotel will be operated by Hyatt with whom we have had an excellent working relationship during the pre-opening period.

As always we owe a big debt of gratitude to our joint venture partners and bankers for their continued backing during the year. In particular I would like to give special thanks to Cain International, Frogmore, O'Shea, Vanke, Acorn, Investec and The St. George's Settlement for the help and support they have provided on a number of key projects as well as Barclays, Lloyds, Delaware Life, Ingenious, ABC, Paragon, OakNorth, Pluto, Homes England and RBS for their funding assistance.

Before I give special thanks to our senior management team I must first express my sincere appreciation to the exceptional team of people who comprise our workforce. Without their hard work, loyalty and enthusiasm Galliard could not have achieved the success it enjoys today. I must thank each and every one of them for the contribution they have made.

A key aspect of any business is its succession planning and I am conscious that Galliard must also make adequate arrangements to ensure the continuity of senior management necessary to safeguard its future. We are fortunate to have assembled an exceptionally talented young management team who have been with us for at least ten years and appreciate the values that set Galliard apart from the rest. I am proud to have mentored that team. Their dedication and professionalism is reflected in the results we have achieved to date, which bodes well for the future.

Stephen Conway
Chairman
30 July 2019

Chief executive's review

Our results this year evidence the continuing strength of the Galliard business model. A 15% increase in net assets to £290m including a 36% increase in available cash to £67m, gives us the resilience and resources to take advantage of opportunities in a market where others may retreat. Whilst our results may fluctuate from year to year, the underlying business is steadily growing, the variations in turnover and profits being due largely to the extended periods required to construct and deliver large residential development projects.

Once again this year we are providing comparisons in our results between those reported on a conventional 'Equity basis' and the corresponding figures on a 'Look through basis'. This alternative accounting approach seeks to provide some clarity around a business like ours where partners and joint venturers are participating in almost every scheme. Our equity across the current £4.4bn (GDV) portfolio stands at an average of 34%. This percentage remains relatively unchanged year on year, and our ability to access this additional equity funding is undoubtedly one of the major catalysts for our growth.

***Pershore Street,** Birmingham B5*

The national undersupply of new housing continues to challenge politicians and industry alike and the underlying demand has not receded during the political carnage of recent times even though the subject has moved off the front pages. This year we completed sales of 1,065 new homes which, for the first time in our business, included sales of purpose built Private Rented Sector ('PRS') apartments. With PRS investment growth showing every sign of continuing positively, this relatively new market sector is likely to feature more prominently in our results over the coming years as the concept matures. In our experience, new PRS business has more than kept pace with the decline in demand from private, Buy-to-Let investors who have been targeted with a plethora of negative tax measures of late. We have recently started work on our own, inaugural PRS development in Romford, where we intend to retain and manage the letting of 116 apartments following completion in 2020. Later in this report we detail the sites going through planning as well as those under construction. This evidences our further expansion into the regions, especially the Birmingham area, which has been particularly rewarding. We successfully attained planning for 379 apartments at our Timber Yard project in the heart of the City and started construction in November 2018. With the prospect of four further Birmingham sites in the pipeline scheduled to deliver c1,500 more homes, we have clearly set out our intentions for direct construction in this region.

United Kingdom based customers continue to generate around 80% of our sales. However, in recognition of the increasing importance of our China based customers, we have this year expanded services to our Chinese followers with the opening of a Shanghai sales office in July, our first in the country. There has been a lot of media attention over the past year regarding the quality of completed housing in this country, with some plc house builders particularly highlighted. As a private business we are fortunate to have shareholders that place a high priority on the quality of our finished product. It is this ambition to deliver first class, market-leading homes that has established the Galliard reputation for excellence. Our desire to deliver the perfect home is relentless and we are constantly reviewing and innovating processes in furtherance of this aim including embedded digital technology to streamline standards during the checking and sign-off of completed homes.

We are fortunate to have such an exceptional workforce at Galliard and our Chairman has rightly identified them in his statement as the backbone of our business. The highly publicised industry skills shortage is an issue that we have tackled directly. We continue to invest considerable time and resources in a number of initiatives that reinforce and enhance our talent pool and we were delighted to receive 'Investors in People' accreditation in October 2018. Our 'Engage' (student work experience), 'Evolve' (apprenticeship) and 'Elevate' (graduate training) programmes have all successfully brought in new staff and, in combination with the training and development programmes for our existing workforce, keep us progressing towards our target to be the 'Employer of Choice' in our sector. We have sought to ease concerns amongst those of our colleagues who may, potentially, be affected by Brexit-related changes to immigration rules and have provided assistance to those of our employees required to secure 'Settled Status' with the Home Office. We have also extended some of our employee services and training opportunities to contractors in our supply chain in recognition of their critical input to the wider business.

It has become clear recently that the construction industry, as a whole, has a lot of ground to make up in the appreciation of mental health and wellbeing issues. In response we have taken significant steps to implement a range of policies and procedures that address these issues. Measures adopted include the provision of training to raise awareness of signals where colleagues may need help, and the induction of qualified 'Mental Health First Aiders' across the company.

The political uncertainty in the years since the referendum in June 2016 has been distracting. Predictions regarding the outcome of the Brexit process vary wildly but early indications are that the appointment of Boris Johnson will resolve the issue one way or the other before the end of 2019. Whatever happens, the shortage of housing remains a reality and that is not going to change any time soon. A business like Galliard benefits from a flexibility and agility that our listed competitors cannot always match. This ability combined with considerable financial strength, allows us to move into and profit from new markets quickly. We did this, for example, with the Permitted Development residential conversion of offices and more recently our launch of the 'Evolve' business concept and we will continue to look for other openings in the future. Innovate, adapt and improve is the Galliard philosophy that will enable us to meet whatever challenge awaits.

Don O'Sullivan
Chief Executive Officer
30 July 2019

Operational locations - Planning

Greater London

At 31 March 2019 the group had 17 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	Hotel/office development and conversion of railway arches to retail/entertainment. New build site requires consolidation of multiple adjacent freehold sites.
2	**Blackheath, The Glebe** Lewisham SE3	Apr - 15	A semi-detached Victorian house with enough land for three further plots. Existing house to be sold in current state and planning to be sought for the three additional plots.
3	**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 60-70 unit scheme.
4	**Selinas Lane, Chadwell Heath** Barking and Dagenham RM8	May - 01	Freehold industrial estate currently being demolished. Planning to be sought for a new-build scheme of between 900 and 1,130 units.
5	**Chiswick Roundabout** Hounslow W4	Jun - 15	Freehold cleared site. Planning being sought for a new-build scheme of 327 units. Currently appealing a refusal by the Secretary of State.
6	**Creekside** Lewisham SE8	Jun - 17	Freehold site. Planning being sought for 393 residential units including 10% social housing plus a new concert hall and 10,000 sq.ft. of commercial space.

	DEVELOPMENT	ACQUISITION DATE	DESCRIPTION
7	**Eagle Wharf Road** Hackney N1	Sep - 16	Commercial/warehouse buildings ranging from two to three storeys in height. S106 currently being negotiated.
8	**Finchley Road** Barnet NW11	Feb - 10	Remaining parcel of land adjacent to previously sold site. Result of appeal for permission in respect of two, three-bed houses awaited.
9	**Honey Monster, Bridge Road** Southall UB2	May - 17	Near sixteen acre site including the former Honey Monster factory for which planning is being sought for c.2,000 residential units and 270,000 sq.ft. of commercial space.
10	**Kensal Road** Kensington and Chelsea W10	Feb - 15	A parcel of land on Ladbroke Grove together with a neighbouring public house. Three separate schemes that seek to improve on an existing expired permission are on appeal.
11	**Limehouse** Tower Hamlets E14	STP*	Permission currently being sought for 97 residential units plus 20,000 sq.ft. of commercial space that will be returned to the vendor.
12	**Mile End Road** Tower Hamlets E3	Jan - 07	Mixed used retail and nightclub site for which an appeal decision is awaited on a scheme for 46 residential units, 10,000 sq.ft. of office space and a 2,500 sq.ft. nightclub.
13	**Norlington Road** Waltham Forest E10	Mar - 18	Site being assembled that will accommodate a mixed used scheme with up to 162 residential units.
14	**South Street, Romford** Havering RM1	Jul - 02	Large freehold restaurant unit that is contracted to be sold subject to the purchaser obtaining their required planning consent.
15	**Tower Bridge Road** Southwark SE1	Mar - 18	Planning application submitted for 90 residential units and 143 apart-hotel units.
16	**Westminster Industrial Estate** Greenwich SE18	STP*	An existing commercial site for which planning will be sought for up to 500 residential units plus 70,000 sq.ft. of commercial space.
17	**Yates, Bath Road** Hounslow TW3	Jun - 16	Former public house for which planning will be sought for c250 co-living apartments, 10,000 sq.ft. of co-working space and 5,000 sq.ft. of retail space.

* Subject to planning

Operational locations - Planning

The Midlands, South East and South West

The group also has an interest in 15 sites outside of its Greater London nucleus that could potentially yield in excess of 8,000 residential units in addition to considerable commercial, retail and leisure facilities.

	DEVELOPMENT	ACQUISITION DATE	DESCRIPTION
1	**Andrews Airfield** Stebbing CM6	Oct - 05	The group has an option to purchase 314 acres of agricultural land that the local authorities have included in plans for a new "garden community". The site would yield c5,000 units.
2	**A E Harris** Birmingham B3	STP*	Application has been made to transform this former metalwork factory into 320 residential units plus 92,000 sq.ft. of retail, workspace and leisure facilities.
3	**Gas House Lane** Ampthill MK45	Dec - 15	This former gas works depot has an existing house and approximately ¾ acre of land with existing planning for five units. Application has been made for a further three units.
4	**Hunting Butts** Cheltenham GL50	Jun - 01	The group has an option to purchase this site that is currently designated as greenbelt but is actively being promoted as suitable for residential development.

	DEVELOPMENT	ACQUISITION DATE	DESCRIPTION
5	**Icen Way** Dorchester DT1	Dec - 15	Application will shortly be made in respect of this former gas depot with ½ acre of land and a workshop.
6	**Kirk Ogden Close** March PE15	Dec - 15	This former gas works depot with pumping station has planning for six apartments, ten houses and three bungalows.
7	**Middleway** Birmingham B12	Oct - 18	Two alternatives are being considered for this freehold 12 acre industrial site, 250 townhouses or 110 townhouses plus up to 50,000 sq.ft. of retail space.
8	**Mill Street** Slough SL2	STP*	A decision is awaited on a scheme for 55 residential units on this 0.6 acre former industrial site.
9	**Oswalds Boat Yard** Oulton Broad NR32	Oct - 04	This former boatyard and industrial site has river frontage. A scheme involving 15 houses, 4 apartments, a library and a coffee shop is currently being considered.
10	**Oxford Greyhound Stadium** Oxford OX4	Sep - 16	This was part of the former Greyhound Racing Association portfolio and negotiations to achieve residential planning on the site are ongoing with the local authority.
11	**Soho Loop** Birmingham B18	Jun - 17	A planning decision is awaited on a scheme involving 650 apartments, 106 houses and 120,000 sq.ft. of commercial space on this 12.4 acre site next to Birmingham's City Hospital.
12	**St John's Nursery** Clacton-on-Sea CO16	Mar - 07	There is currently an application for 191 units plus 10,000 sq.ft. of commercial space on this 18 acre former garden centre site.
13	**Summerhill** Birmingham B1	Dec - 17	This is a 92,000 sq.ft. office building that is currently tenanted. Negotiations are ongoing with Birmingham City Council for a suitable residential scheme.
14	**The Colts** Sawbridgeworth CM21	Sep - 18	A planning application is to be submitted replacing an existing bungalow with three units on this ½ acre site.
15	**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.

* Subject to planning

Operational locations - Construction

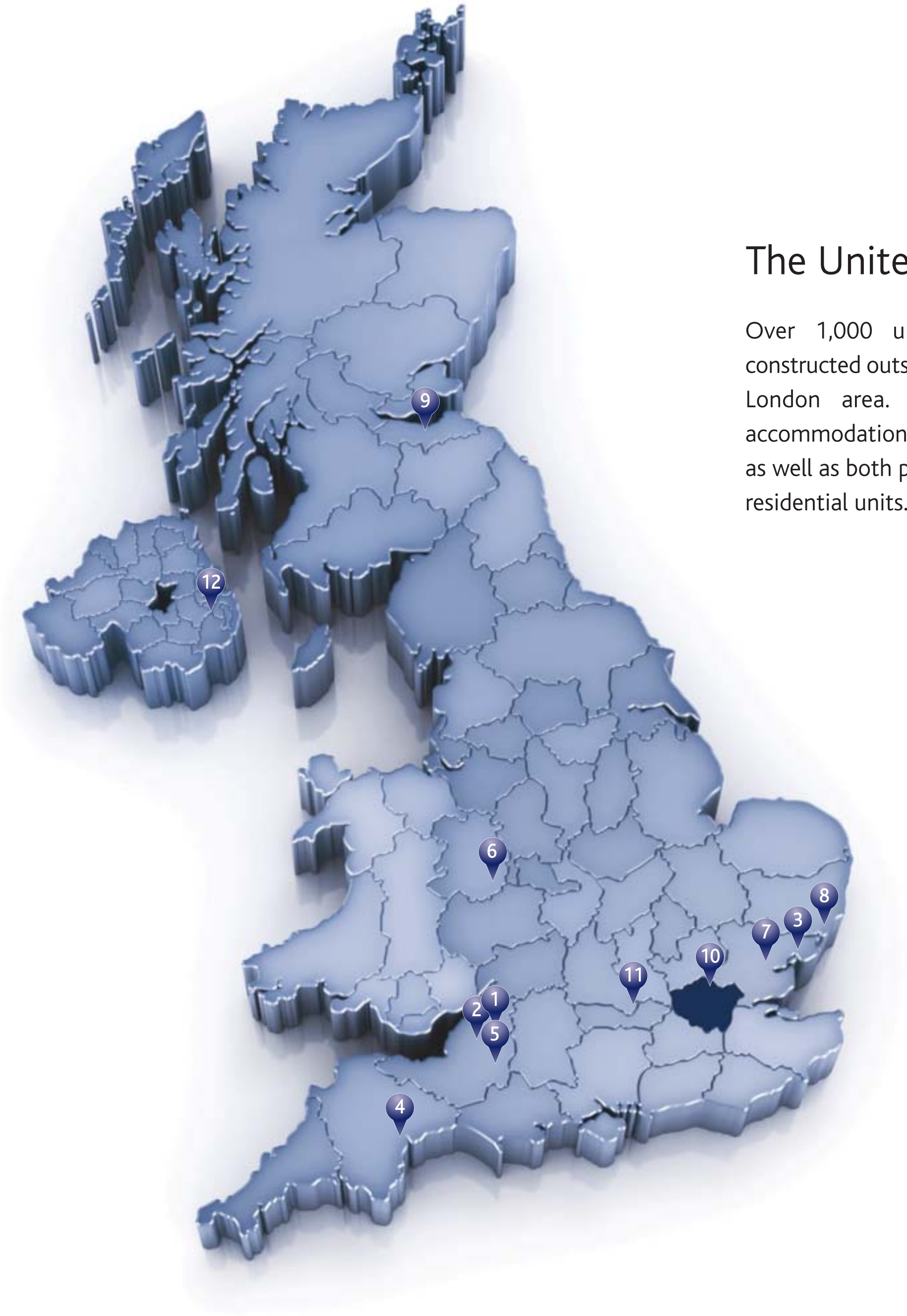
Greater London

Construction work has either started or is due to start shortly on over 5,000 residential units across 15 sites in the Greater London area. Over 1,200 of these are social/affordable housing units.

	DEVELOPMENT	ACQUISITION DATE	DESCRIPTION
1	**Baltimore Wharf** Tower Hamlets E14	Feb - 13	Construction of 5 additional apartments on 43rd floor. Possible further units may be added on 44th floor if current planned restaurant does not complete.
2	**Cantium Retail Park** Southwark SE1	Mar - 17	Planning approved for 1,113 units including 363 affordable housing units plus commercial space. Awaiting signing of S.106 agreement.
3	**Church Road, Leyton** Waltham Forest E10	Jan - 17	Construction ongoing of 50 units including 10 affordable housing units. Completion scheduled for December 2019.
4	**Great Scotland Yard** Westminster SW1	Dec - 13	Construction complete. Hotel now in pre-opening phase prior to completion of sale.
5	**Hackney Wick** Hackney E9	Mar - 14	Planning obtained for 475 units including 165 affordable housing units plus commercial space.
6	**Harbour Central** Tower Hamlets E14	Dec - 14	Construction ongoing of 903 units including 253 social housing units. Completion scheduled for February 2020.

	DEVELOPMENT	ACQUISITION DATE	DESCRIPTION
7	**Harper Road** Southwark SE1	Feb - 17	Construction ongoing of 64 units including 14 social housing units. Completion scheduled for third quarter 2019.
8	**Honda Garage, Southall** Ealing UB2	Oct - 17	Construction ongoing of 191 units including 58 affordable housing units. Completion scheduled for March 2021.
9	**Jessica House** Wandsworth SW18	Jan - 16	Construction ongoing of 70 units. Completion scheduled for third quarter 2019.
10	**Neopost House, Romford** Havering RM1	Aug - 16	Construction underway on 116 units in existing office building under permitted development rights. Completion scheduled for first quarter 2021. Additional planning being sought for c90 further units in current car park.
11	**Neptune Wharf** Lewisham SE8	Dec - 13	Construction will begin on 199 units including 23 affordable housing units once vacant possession has been achieved.
12	**Orchard Wharf** Tower Hamlets E14	Jul - 15	Construction underway on 338 units including 102 social housing units. Completion scheduled for third quarter 2021.
13	**St Edwards Court, Romford** Havering RM7	Sep - 16	Construction underway on 103 units. Completion scheduled for third quarter 2022.
14	**Stadia Three, Wimbledon** Merton SW17	Feb - 18	Construction underway on 604 units including 177 social housing units. Completion scheduled for second quarter 2021.
15	**The Stage, Shoreditch** Hackney EC2	May - 15	Construction underway on 412 units plus significant commercial and leisure facilities. Completion scheduled for second quarter 2022.
16	**Westgate House, Hangar Lane** Ealing W5	Aug - 16	Construction underway on 378 units including 26 social housing units. Completion scheduled for third quarter 2020.

Operational locations - Construction



The United Kingdom

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

	DEVELOPMENT	ACQUISITION DATE	DESCRIPTION
1	Anchor Road Bristol BS1	Jul - 17	Construction ongoing on 58 units. Completion scheduled for third quarter 2019.
2	Brooks Laundry Bristol BS2	Aug - 17	Work commenced on construction of 63 units including 24 social housing units. Completion is scheduled for the fourth quarter of 2021.
3	Evolve Colchester CO7	Aug - 18	Construction work has started on 90 "Evolve" business units with completion scheduled for the second quarter of 2020.

	DEVELOPMENT	ACQUISITION DATE	DESCRIPTION
4	**Honiton Inn** Exeter EX1	May - 17	Construction work ongoing on the 120 unit student accommodation and café. Completion scheduled for fourth quarter of 2019.
5	**Hope House** Bath BA1	Oct - 15	Construction work has started on the 58 units with completion scheduled for the third quarter of 2019.
6	**Pershore Street** Birmingham B5	Oct - 18	Construction work has started on the 379 units with completion scheduled for the first quarter of 2022.
7	**Rosebery House** Chelmsford CM2	Jul - 16	Construction work has started on the 48 units in the East Block with completion scheduled for the second quarter of 2021. The West Block is to be refurbished and re-let as offices.
8	**Shotley Gate** Ipswich IP9	Jun - 02	Construction will commence as soon as pre-commencement covenants have been discharged.
9	**Stanley Place** Edinburgh EH7	Aug - 17	Construction and sale completed in second quarter of 2019.
10	**Sterling House** Loughton IG10	Feb - 04	Preliminary works commenced on additional office accommodation.
11	**Thames Farm** Shiplake RG9	Oct - 18	95 unit scheme sold during year. Remaining barn retained with a view to selling with consent for four additional houses.
12	**Woodbrook** Lisburn BT28	May - 16	Construction work underway on 321 unit scheme. Work being undertaken under licence by local builders. Long term project anticipated to complete in 2027.

Operational locations - Sales completions

London, Home Counties, The South East and South West

The table opposite shows the private residential sales completed in the year to 31 March 2019. The average price per unit sold during the year was £438,000 compared with £407,000 in the year to 31 March 2018.

1	**BALTIMORE WHARF** TOWER HAMLETS E14	9	**NEW ROAD, CROUCH END** HARINGEY N8	17	**CARLTON HOUSE** LUTON LU4
2	**CENTRAL HOUSE** HOUNSLOW TW3	10	**RIVERDALE HOUSE** LEWISHAM SE13	18	**ESSEX HOUSE** BRENTWOOD CM14
3	**CRANESHAW HOUSE** HOUNSLOW TW3	11	**SILVER WORKS, COLINDALE** BRENT NW9	19	**HOPE HOUSE** BATH BA1
4	**DESIGN HOUSE, LONG LANE** SOUTHWARK SE1	12	**THE CHILTERNS, MARYLEBONE** WESTMINSTER W1	20	**SKYLINE** SLOUGH SL1
5	**GROVE PLACE ELTHAM** GREENWICH SE9	13	**THE FUSION, CYGNET STREET** TOWER HAMLETS E1	21	**TEMPUS, WHITELADIES ROAD** BRISTOL BS8
6	**HIGH STREET, WAPPING** TOWER HAMLETS E1	14	**TRINITY SQUARE** HOUNSLOW TW3	22	**THE DUNES** PERRANPORTH TR6
7	**MARINE WHARF** LEWISHAM SE16	15	**ATRIA HOUSE** SLOUGH SL1	23	**WHITBREAD HOUSE** LUTON LU1
8	**MUSWELL HILL POLICE STATION** HARINGEY N2	16	**BRITANNIA HOUSE** WALTHAM CROSS EN8		

GALLIARD GROUP - PRIVATE RESIDENTIAL COMPLETIONS

Development	Location	Units	Sales £'000	Sq ft '000	£ per sq ft
Baltimore Wharf	Tower Hamlets E14	5	2,990	2.8	1,069
Central House	Hounslow TW3	36	12,433	25.9	480
Craneshaw House	Hounslow TW3	25	5,981	9.3	642
Design House, Long Lane	Southwark SE1	5	6,152	7.1	867
Grove Place, Eltham	Greenwich SE9	114	41,255	76.8	537
High Street, Wapping	Tower Hamlets E1	1	988	1.2	802
Marine Wharf	Lewisham SE16	177	85,747	126.1	680
Muswell Hill Police Station	Haringey N2	6	5,283	6.5	809
New Road, Crouch End	Haringey N8	2	1,535	1.9	788
Riverdale House	Lewisham SE13	16	6,193	10.4	593
Silver Works, Colindale	Brent NW9	185	75,612	132.1	572
The Chilterns, Marylebone	Westminster W1	3	40,400	10.7	3,786
The Fusion, Cygnet Street	Tower Hamlets E1	3	2,155	2.0	1,066
Trinity Square	Hounslow TW3	2	460	0.7	617
Atria House	Slough SL1	30	7,195	12.6	573
Britannia House	Waltham Cross EN8	1	170	0.4	439
Carlton House	Luton LU4	25	4,160	9.3	449
Essex House	Brentwood CM14	8	2,274	4.2	541
Hope House	Bath BA1	2	3,240	5.0	642
Skyline	Slough SL1	75	17,521	28.4	617
Tempus, Whiteladies Road	Bristol BS8	8	3,005	5.4	561
The Dunes	Perranporth TR6	35	16,775	33.9	495
Whitbread House	Luton LU1	25	4,417	11.0	402
Total Private Completions	**2019**	**789**	**345,941**	**523.8**	**661**
Total Private Completions	**2018**	**884**	**359,554**	**524.0**	**686**

Tower Bridge Road marketing suite, December 2018.

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.

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.

Impact

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.

Mitigation

Comprehensive due diligence prior to each site purchase coupled with continual monitoring of lead indicators to ensure that initial investment decisions are made on the basis of complete and up-to-date knowledge. Critical review of product ranges and marketing strategies to adapt to market changes.

Government Regulations

Changes in government policy with regard to taxation, the environment and housing are all likely to have an effect on the housing market. In particular modifications to planning regulations can have significant repercussions particularly on the supply side.

Impact

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.

Mitigation

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.

Brexit

The uncertainty surrounding the terms of the UK's withdrawal from the EU has had an adverse impact on the UK economy in general and consumer confidence in particular. Additionally, legislative changes are anticipated that will restrict immigration and reduce the pool of available labour.

Impact

As well as the effects on profitability that are caused by general changes in the economic environment, a restriction in the availability of labour could put pressure on wage costs and adverse changes in exchange rates could increase certain materials costs.

Mitigation

Whilst the effects of the Brexit procedure do not necessitate any discrete reaction, existing robust investment appraisals and market strategy reviews are being combined with efficient procurement processes and targeted training programmes as a response.

Retention of Quality Staff

The successful delivery of our business objectives requires a sufficient pool of staff with knowledge, skill, expertise and ability.

Impact

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.

Mitigation

Apprenticeship and training programmes are constantly monitored and reviewed as are our remuneration packages and staff welfare initiatives to ensure that they reflect the best industry practices.

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.

Impact

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.

Mitigation

Great importance is placed on our subcontractor relationships. Comfortable working conditions, an excellent health and safety record, prompt payment terms and our team ethic all help to attract and retain our chosen tradesmen. We also maintain excellent relationships with our materials suppliers and are constantly sourcing new suppliers worldwide in order to reinforce our supply chain.

Information Technology

Our dependence on a robust IT infrastructure will come as no surprise. In common with most businesses our main systems of communication, reporting, management and control all rely on a secure and reliable data handling environment.

Impact

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.

Mitigation

As far as is possible our networks are protected from outside threats such as cyber-attacks and internal procedures are designed to safeguard the integrity of data held on our systems. In addition all staff have undergone detailed GDPR training to minimise the risk of compromising any personal data that we hold. Our disaster recovery plan is robust and reviewed at regular intervals to ensure it is fit for purpose and reflects current requirements.

Health & Safety

Construction sites are inherently hazardous and will always pose the threat of accident or injury to workers and visitors unless properly managed.

Impact

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.

Mitigation

We consider health and safety to be one of our most important responsibilities. We maintain rigorous systems and controls at all our sites and invest considerable resources in our training programmes to ensure that everyone on site is aware of any potential dangers and knows how to minimise any risk.

Liquidity

Continued support from external funders such as banks and other financial institutions is vital if we are to achieve our business objectives.

Impact

Withdrawal of facilities would restrict our ability to operate effectively and, in extreme circumstances, could lead to the cessation of trading.

Mitigation

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.


RESOURCES
GOAL
ETHICS
RESPONSIBILITY
GALLIARD & THE COMMUNITY
MARKET
SUSTAINABILITY
LONG TERM
SINCERITY

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

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

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

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

2020

GALLIARD HOMES
BUILDING A SUSTAINABLE FUTURE

Investing in our future

Learning and development

The Galliard Learning Academy is committed to providing a range of learning interventions from classroom based sessions, e-learning modules, workshops, residential team development, secondments and app-based tool-kits to enable our employees to fulfil their aspirations and support the achievement of business goals. We are spending on average £200,000 and delivering over 20,000 hours of learning every year to enhance the skills, knowledge and capabilities of our workforce; with 22 employees currently being supported through professional education.

A quarterly performance review process affords every employee the opportunity to discuss their impact on the business and our bi-annual talent review is conducted to ensure competencies are assessed against 'The Galliard Way' and future potential realised. Our 'Take a Minute….' Mental Health and Well-Being programme launched in conjunction with Mates in Mind and the Lighthouse club is tackling the stigma of mental health illness and promoting a culture of openness and support.

Engage Work Experience Programme

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

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

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

Evolve Apprenticeship Programme

The Galliard Homes Evolve Apprenticeship Programme was launched in 2017 to support our future talent pipeline offering opportunities to those from 16 upwards who are interested in learning and earning simultaneously. In the last two years over 200 candidates have applied for the scheme which has 10 roles available in every cycle.

The disciplines range from corporate functions to site-based positions such as project and site management, engineering and surveying. The 2017, 2018 and 2019 cohort are entirely reflective of the communities in which we live, work and develop.

Elevate Graduate Scheme

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


Galliard
Homes


Galliard
Homes

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 Gold sponsor of Women Into Construction and a leading member of the HBF Skills partnership

working on changing the perception of the sector, promoting the opportunities available and tackling the skills shortage within our sector.

Investing in our environment

Health and safety

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

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

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

Reducing waste

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

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

Modern slavery

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

Building energy efficient homes

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

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

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 won the Considerate Constructors 'Big Build' competition (Old Ford Primary School and Harbour Central) and we were runners up in the Hoarding competition (Old Ford Primary School and Orchard Wharf). We also participate in "Open doors and conduct" borough specific site tours.

***Harbour Central**, Tower Hamlets E14*

Community interaction

At Galliard we are delighted to have the opportunity to build and develop our community partnerships in meaningful and innovative ways. In order to do this successfully we must remain responsive to the needs of those residing or working within these communities and adapt our approach accordingly. These partnerships offer our own employees a wide variety of ways in which they can volunteer, offer support, fundraise and genuinely make a difference to both the lives of others and their own. In the last year alone we have accrued over 5000 hours of volunteering and donated over £1 million to charitable causes.

GREAT ORMOND STREET HOSPITAL CHARITY

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

Haven House children's hospice
Building our future together

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 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 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. In February we allocated funding to SIFA to enable the centre to provide emergency overnight accommodation during the prolonged spate of freezing temperatures.

2020
GALLIARD HOMES
BUILDING A SUSTAINABLE FUTURE


Galliard Homes


118
939
118


LA
Haven House is 15
Celebrate with us


ROB
GREAT
ORMOND
STREET
HOSPITAL
CHARITY


0633
0633


HAVEN HOUSE
children's hospice


HAVEN HOUSE
children's hospice

Financial review

Another strong performance from the group can be seen in the financial results for the year to 31 March 2019. Key indicators are showing a positive trend whether viewed on an equity accounting basis or on a look through basis and the balance sheet continues to strengthen giving us the versatility to take advantage of new development opportunities as and when they arise.

Orchard Wharf, *Tower Hamlets E14*

£m	2017	2018	2019	
Net assets	209	252	290	Equity Basis
	204	240	289	Look Through basis
Turnover	451	296	368	Equity Basis
	593	460	447	Look Through basis
Pre-tax profit	36	47	62	Equity Basis
	37	41	69	Look Through basis

TABLE 1 - TREND IN KEY PERFORMANCE INDICATORS FROM 2017 TO 2019

The impact on the group results of economic factors such as the potentially damaging influence on consumer confidence of the stalling of the Brexit process is not immediate. Long lead times that are inherent in the development process combined with our business model that focuses on early sales off-plan mean that today's results were largely formulated a number of years ago and recent external influences will not manifest themselves for some time. Thus, for example, one of the major contributors to the profit for this year was Marine Wharf in Surrey Quays. This site was acquired in 2006 and both construction and sales activity commenced after planning consent was granted in 2015. This was all long before the referendum on whether or not the UK should remain in the European Union was even announced and so the "Brexit effect" on this development was minimal.

In addition, this delay in any potentially adverse consequences on the business gives the board time to formulate counteractive policies. As a result of the impact of the current EU withdrawal stalemate on the UK economy, for example, the board is now more selective in its choice of sites to acquire which has resulted in a reduction in the number of active sites and an increase in available cash balances. The change in composition of our site portfolio can be illustrated in the following chart:

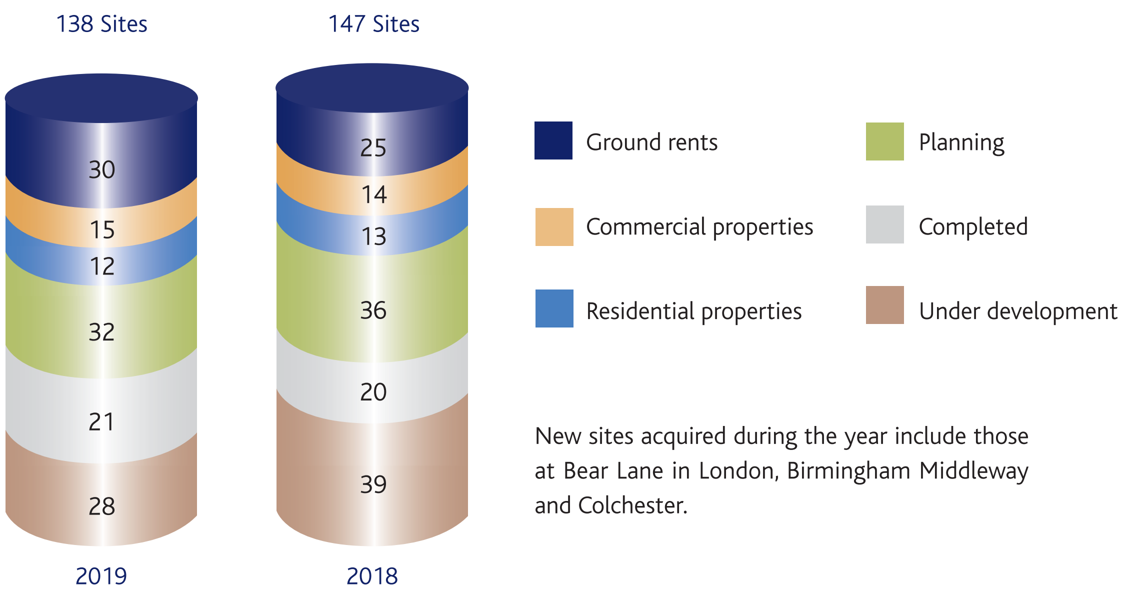


CHART 1 – ANALYSIS OF GROUP SITE PORTFOLIO

New sites acquired during the year include those at Bear Lane in London, Birmingham Middleway and Colchester.

The component parts of the group's income have remained fairly static over the past year but an analysis of expenditure reveals an improvement in margins in 2019 over 2018:

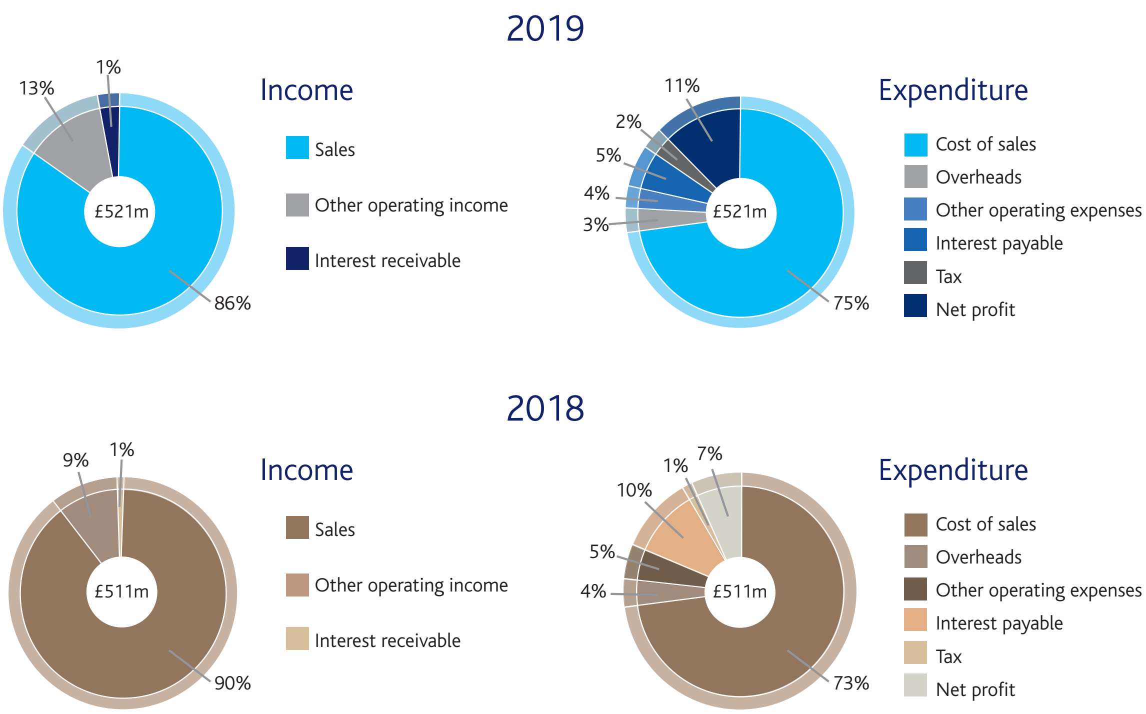


CHART 2 – COMPARISON OF INCOME AND EXPENDITURE ANALYSIS BETWEEN 2018 AND 2019 (LOOK THROUGH BASIS)

The number of developments completing during the year was fewer than the previous year leading to the reduction in turnover. The major contributors are shown below with the exception of the remaining units at The Chilterns in Marylebone which, if included, would distort the comparison because of their relative size. Total sales for the three units were £40.4m at an average unit price of £13.5m.

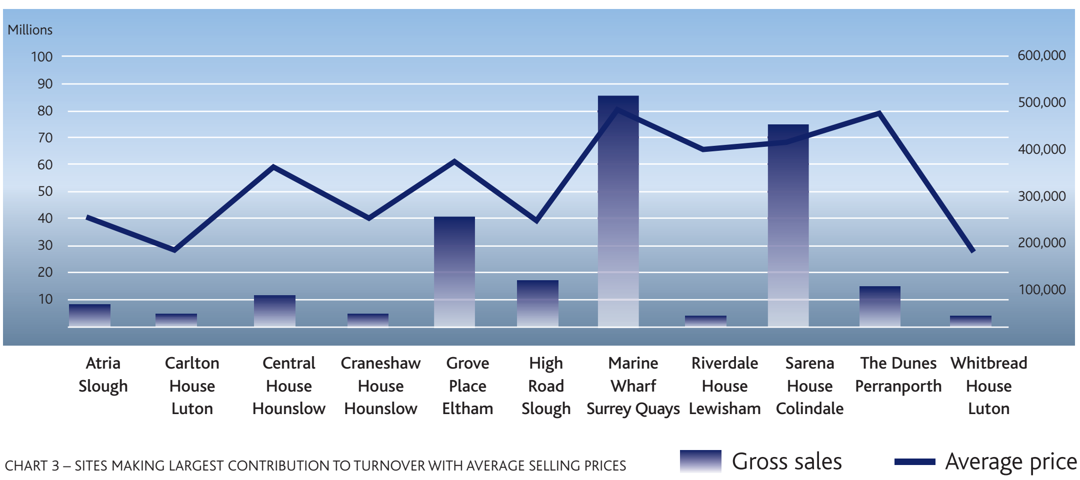


CHART 3 – SITES MAKING LARGEST CONTRIBUTION TO TURNOVER WITH AVERAGE SELLING PRICES

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

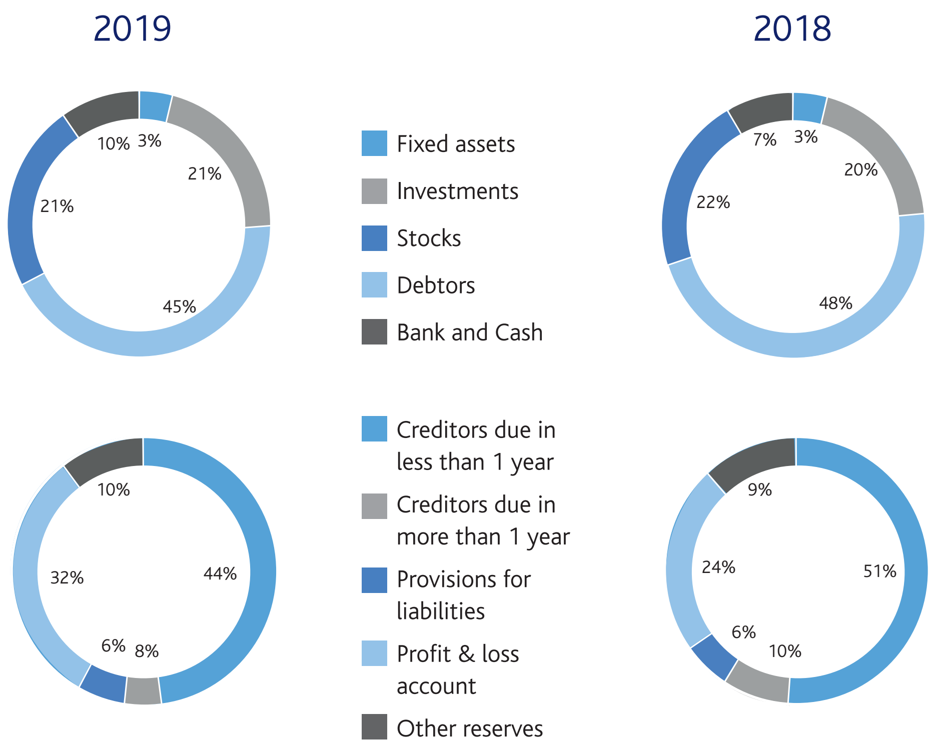


CHART 4 – RELATIVE PROPORTIONS OF ASSETS AND LIABILITIES

The above chart demonstrates the continued strengthening of the group balance sheet with 42% of the group's assets being held in reserves at 31 March 2019 compared to 33% a year earlier. The mix of assets has remained relatively constant over the year although 10% of all assets is now held in the form of cash compared with 7% at 31 March 2018.

Tax strategy

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

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

Risk management & government arrangements

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

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

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

Tax planning

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

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

Level of acceptable tax risk

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

Dealings with HMRC

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

Financial risk and treasury management

Liquidity

Liquidity risk is managed by:

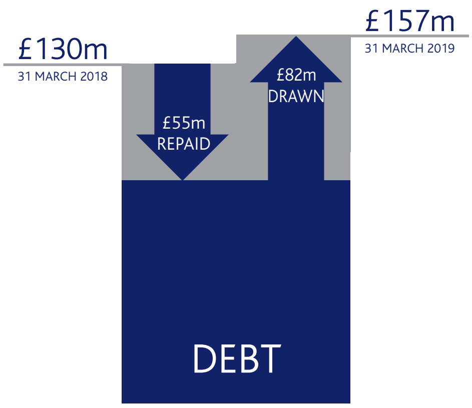
- the use of rolling cash flow forecasts so the remedial action can be taken in a timely fashion.
- the maintenance of appropriate committed banking facilities so that equity is preserved.
- ensuring facilities have adequate headroom to minimise the need for emergency funding.
- the continual monitoring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

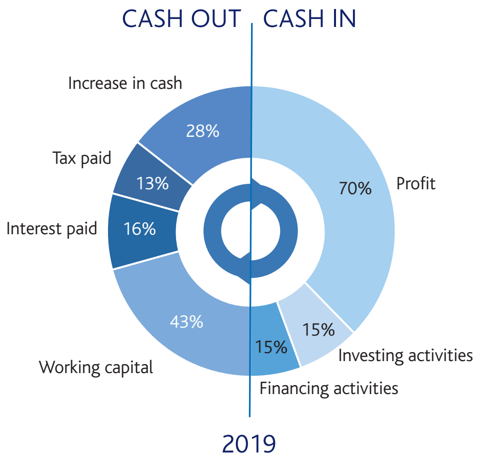
Interest rate risk

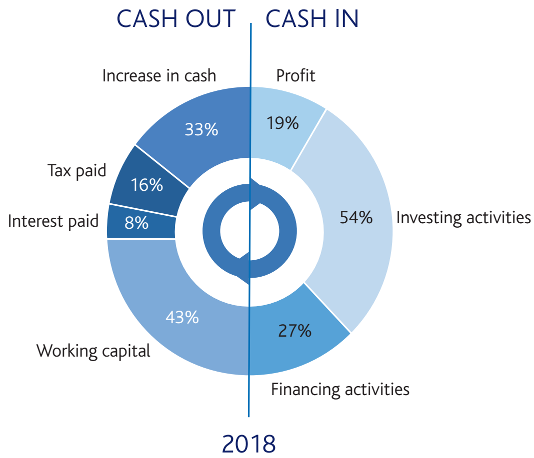
Interest rate risk is managed by:

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

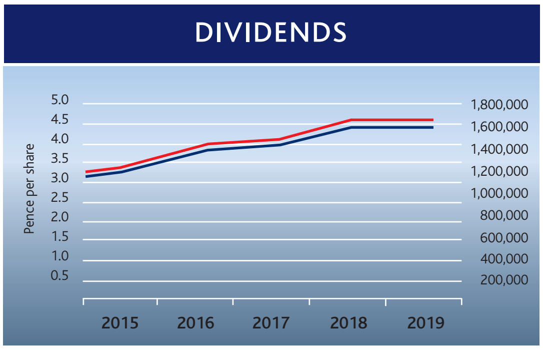
The group's debt increased by £27m during the year. £55m (42%) of the opening debt was repaid and a further £82m was drawn to fund new site acquisitions and construction work. The majority of the debt is short-term, project related bank loans but, in addition to the debt discussed here, there are £43m of preference shares that, despite being technically repayable on demand, are considered to be long-term funding.







Cash has been well controlled throughout the year and the increase in available cash will give the board greater flexibility as suitable investment opportunities arise.



The dividend was maintained at 4.4p per share (2018: 4.4p) in the year to 31 March 2019 representing a total cost of £1.65 million (2018: £1.65 million).

The financial statements on pages 50 to 77 have been prepared in accordance with Financial Reporting Standard 201. There have been no changes to the group's accounting policies during the year.

Allan Porter
Group Finance Director
30 July 2019

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.

MIKE WATSON
Planning Director

Mike is a member of both the Chartered Institute of Architectural Technologists and the Chartered Institute of Building and has had overall responsibility for the design of all the group's major projects since joining the group in 1997. His previous experience spanned regional architectural practices and local authority architectural departments before he became technical manager of Rialto Homes (now part of Fairview Homes) in 1979.

DON O'SULLIVAN
Chief Executive Officer

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

JONATHAN MORGAN
Director of Investment & Developments

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

DAVID CONWAY
Executive Director

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

GARY CONWAY
Executive Director

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

RICHARD CONWAY
Executive Director

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

PAUL HUBERMAN
Executive Director

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

Board of directors

Non-executive directors

PAUL WHITE MBE
Independent 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.

C K CHING
Non-executive director

Mr Ching Chiat Kwong is the executive chairman and CEO of the Oxley Group. He is responsible for the overall performance, as well as for the formulation of corporate strategies and the future direction of the group. Under his leadership, the Oxley Group completed the then largest initial public offering on the Catalist of the Singapore Exchange in 2010. Prior to establishing the Oxley Group, Mr Ching has invested in, developed, and successfully launched numerous residential property projects in various parts of Singapore. Mr Ching graduated with a Bachelor of Arts degree and a Bachelor of Social Sciences (Hons) degree from the National University of Singapore.

S C LOW
Non-executive director

Mr Low See Ching was appointed as deputy CEO and executive director of the Oxley Group in 2014. He is responsible for business development, as well as supporting the CEO in the formulation of corporate strategies and future direction of the Oxley Group. Prior to this appointment, Mr Low was the executive director and CEO of Hafary Holdings Limited. He was responsible for the overall management, operations and charting of Hafary's corporate and strategic direction, including sales, marketing and procurement strategies. Mr Low graduated with a Bachelor of Accountancy degree from the Nanyang Technological University, Singapore.

***Baltimore Wharf,** Tower Hamlets E14*

Senior management team

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.

ALLAN PORTER
Finance Director and Company Secretary

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.

DAVID GALMAN
Sales Director

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.

AMANDA DIJK
Group Financial Controller

David joined Galliard Homes 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.

DAVID HIRSCHFIELD
Legal Director

An architect by training, John has spent the majority of his working life in architectural practice, ultimately as a partner for 12 years. In a long and distinguished career John has worked on many landmark planning projects such as the Brent Cross Shopping Centre, the Brighton Conference Centre and the Labour Party Headquarters in London.

JOHN AUGUST
Projects 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 managing director.

ROBIN HAWKINS
Managing Director of Galliard Construction

Michael Watson joined Galliard Homes 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.

MICHAEL J WATSON
Architectural & Technical 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.

DARREN MAGUIRE
Construction 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.

VICTORIA ANTHONY
Human Resources Director

Statutory & regulatory information

Disclosure of information

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

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

Share capital

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

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

Donations

Donations to charities during the year amounted to £432,000 (2018: £2,617,000). The group made no political donations during the year (2018 - £nil).

Going concern

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

Subsequent events

There were no material events subsequent to the reporting date that have a bearing on the understanding of the financial statements for the year to 31 March 2019.

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.

Directors' statement of responsibilities

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

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

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Great Scotland Yard

Report of the independent auditor

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

Opinion

We have audited the financial statements of Galliard Group Limited ("the Parent Company") and its subsidiaries ("the Group") for the year ended 31 March 2019, which comprise the Consolidated income statement, the Consolidated statement of comprehensive income, the Consolidated and company balance sheets, the Consolidated and company statement of changes in equity, the Consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 March 2019 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Report of the independent auditor

Responsibilities of directors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Use of our report

This report is made solely to the Parent Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

BDO LLP

Thomas Edward Goodworth (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
55 Baker Street
London
United Kingdom

Date 30 July 2019

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

The financial statements that follow are extracted from the group and company audited accounts.

Trinity Square, *Hounslow TW3*

Consolidated income statement

for the year ended 31 March 2019

	Note	2019 £'000	2019 £'000	2018 £'000	2018 £'000
Turnover	3		367,926		295,962
Cost of sales			(337,348)		(263,322)
Gross profit			30,578		32,640
Overheads			(17,004)		(17,157)
Other operating income	6		20,726		27,223
Exceptional other income	6		20,800		-
Other operating expenses	7		(10,245)		(17,951)
Profit from the disposal of assets			5,338		6,071
Gains from fair value changes in investment properties	13		1,132		3,967
Group operating profit			51,325		34,793
Share of profit/(loss) in:					
- joint ventures	14	16,403		46,462	
- associates	14	(3,148)		(321)	
			13,255		46,141
Interest receivable and similar income	9		7,782		2,976
Interest payable and similar charges	10		(10,664)		(40,429)
Joint developers' share of (profits)/losses			(57)		3,066
Profit on ordinary activities before taxation			61,641		46,547
Tax on profit on ordinary activities	11		(5,832)		(3,276)
Profit for the financial year			55,809		43,271

All amounts relate to continuing operations.

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

Consolidated statement of comprehensive income

for the year ended 31 March 2019

	Note	2019 £'000	2018 £'000
Profit for the financial year		**55,809**	43,271
Revaluation surplus of owner occupied properties	13	169	712
Deferred tax in respect of items of other comprehensive income		(29)	(121)
Other comprehensive income for the year		140	591
Total comprehensive income for the year		**55,949**	43,862
Profit for the financial year attributable to:			
Owners of the parent company		57,353	35,590
Non-controlling interest		(1,544)	7,681
		55,809	43,271
Total comprehensive income attributable to:			
Owners of the parent company		57,493	36,181
Non-controlling interest		(1,544)	7,681
		55,949	43,862

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

Consolidated balance sheet

as at 31 March 2019

	Note	2019 £'000	2019 £'000	*Restated 2018 £'000	*Restated 2018 £'000
Fixed assets					
Intangible assets – negative goodwill	12		(6,693)		(7,805)
Tangible fixed assets	13		29,409		31,144
Investments	14		145,006		143,682
Current assets					
Investments	15	707		1,806	
Stocks	16	310,117		348,686	
Debtors - due in less than one year	17	133,560		158,374	
- due in more than one year	18	13,980		5,108	
Cash at bank and in hand		67,181		49,475	
		525,545		563,449	
Creditors: amounts falling due within one year	19	(308,061)		(371,917)	
Net current assets			217,484		191,532
Total assets less current liabilities			385,206		358,553
Creditors due in more than one year	20		(53,941)		(61,831)
Provisions for liabilities	22		(41,432)		(44,416)
Net assets			289,833		252,306
Capital and reserves					
Called up share capital	24		4		4
Revaluation reserve			13,862		13,057
Share premium account			49,999		49,999
Warrant reserve	26		3,750		3,750
Profit and loss account			221,601		172,768
Equity attributable to owners of the parent company			289,216		239,578
Non-controlling interest			617		12,728
Shareholders' funds			289,833		252,306

* The consolidated balance sheet has been restated as at 31 March 2018 to reclassify payments presented at the balance sheet date but cleared post year-end from loans and overdrafts within creditors falling due within one year to net against cash at bank and in hand.

The financial statements were approved by the Board and authorised for issue on 30 July 2019.

D O'Sullivan

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

Company balance sheet

as at 31 March 2019

	Note	2019 £'000	2019 £'000	2018 £'000	2018 £'000
Fixed assets					
Investments	14		**113,345**		113,345
Current assets					
Debtors - due in less than one year	17	**238,990**		180,784	
- due in more than one year	18	**5,543**		5,108	
Cash at bank and in hand		**823**		121	
		245,356		186,013	
Creditors: amounts falling due within one year	19	**(43,032)**		(44,111)	
Net current assets/(liabilities)			**202,324**		(141,902)
Total assets less current liabilities			**315,669**		255,247
Net assets			**315,669**		255,247
Capital and reserves					
Called up share capital	24		**4**		4
Share premium account			**49,999**		49,999
Merger reserve			**1,812**		2,425
Warrant reserve	26		**3,750**		3,750
Profit and loss account			**260,104**		199,069
Shareholders' funds			**315,669**		255,247

As permitted by the Companies Act, the profit and loss account of the parent company is not presented as part of these accounts.
The parent company's profit after taxation for the year amounted to £62,072,000 (2018 - £190,793,000).

The financial statements were approved by the Board and authorised for issue on 30 July 2019.

D O'Sullivan
Director

Company Registration No: 07947946

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

Consolidated statement of changes in equity

as at 31 March 2019

	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 2018	4	13,057	49,999	3,750	172,768	239,578	12,728	252,306
Profit for the financial year	-	-	-	-	57,353	57,353	(1,544)	55,809
Revaluation surplus of owner occupied properties	-	169	-	-	-	169	-	169
Deferred tax in respect of items of other comprehensive income	-	(29)	-	-	-	(29)	-	(29)
Other comprehensive income for the year	-	140	-	-	-	140	-	140
Total comprehensive income for the year	-	140	-	-	57,353	57,493	(1,544)	55,949
Transfer to revaluation reserve	-	665	-	-	(665)	-	-	-
Dividends paid	-	-	-	-	(1,650)	(1,650)	(16,772)	(18,422)
Total contributions by and distributions to owners	-	665	-	-	(2,315)	(1,650)	(16,772)	(18,422)
Acquisition of non-controlling interest	-	-	-	-	(6,205)	(6,205)	6,205	-
Other reserve movements	-	-	-	-	(6,205)	(6,205)	6,205	-
Balance at 31 March 2019	4	13,862	49,999	3,750	221,601	289,216	617	289,833
Balance as at 1 April 2017	4	10,895	49,999	-	142,911	203,809	5,047	208,856
Profit for the financial year	-	-	-	-	35,590	35,590	7,681	43,271
Revaluation surplus of owner occupied properties	-	712	-	-	-	712	-	712
Deferred tax in respect of items of other comprehensive income	-	(121)	-	-	-	(121)	-	(121)
Other comprehensive income for the year	-	591	-	-	-	591	-	591
Total comprehensive income for the year	-	591	-	-	35,590	36,181	7,681	43,862
Transfer to revaluation reserve	-	1,571	-	-	(1,571)	-	-	-
Capital distribution	-	-	-	-	(2,512)	(2,512)	-	(2,512)
Dividends paid	-	-	-	-	(1,650)	(1,650)	-	(1,650)
Total contributions by and distributions to owners	-	1,571	-	-	(5,733)	(4,162)	-	(4,162)
Warrant issued (note 26)	-	-	-	3,750	-	3,750	-	3,750
Other reserve movements	-	-	-	3,750	-	3,750	-	3,750
Balance at 31 March 2018	4	13,057	49,999	3,750	172,768	239,578	12,728	252,306

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

Company statement of changes in equity

as at 31 March 2019

	Share capital £'000	Share premium account £'000	Merger reserve £'000	Warrant reserve £'000	Profit and loss account £'000	Total £'000
Balance at 1 April 2018	4	49,999	2,425	3,750	199,069	255,247
Comprehensive income for the financial year	-	-	-	-	62,072	62,072
Total comprehensive income for the year	-	-	-	-	62,072	62,072
Contributions by and distributions to owners						
Merger reserve release	-	-	(613)	-	613	-
Dividends paid	-	-	-	-	(1,650)	(1,650)
Total contributions by and distributions to owners	-	-	(613)	-	(1,037)	(1,650)
Balance at 31 March 2019	4	49,999	1,812	3,750	260,104	315,669
Balance as at 1 April 2017	4	49,999	5,403	-	9,461	64,867
Total comprehensive income for the year	-	-	-	-	190,792	190,792
Contributions by and distributions to owners						
Merger reserve release	-	-	(2,978)	-	2,978	-
Capital distributions	-	-	-	-	(2,512)	(2,512)
Dividends paid	-	-	-	-	(1,650)	(1,650)
Total contributions by and distributions to owners	-	-	(2,978)	-	(1,184)	(4,162)
Warrant issued (note 26)	-	-	-	3,750	-	3,750
Other reserve movements	-	-	-	3,750	-	3,750
Balance at 31 March 2018	4	49,999	2,425	3,750	199,069	255,247

Consolidated statement of cash flows

as at 31 March 2019

	Note	2019 £'000	*Restated 2018 £'000
Cash flows from operating activities			
Profit for the financial year		55,809	43,271
Adjustments for:			
Depreciation, impairment and amortisation of fixed assets and goodwill		(178)	(8,909)
Share of profit for the year of equity accounted investments	14	(13,255)	(46,141)
Net fair value gains recognised in profit or loss		(1,429)	(3,967)
Net interest payable		2,882	37,453
Taxation charge	11	5,832	3,276
Decrease in trade and other debtors		20,956	28,230
Decrease/(increase) in stocks		43,763	(126,279)
Decrease/(increase) in trade and other creditors		(92,001)	51,066
Decrease/(increase) in provisions		(172)	3,458
Profit on disposal		(5,338)	(6,071)
Cash from operations		16,869	(24,613)
Interest paid		(9,888)	(8,258)
Taxation paid		(7,888)	(15,833)
Net cash used in operating activities		(907)	(48,704)
Cash flows from investing activities			
Proceeds from sale of business fixed assets		2,666	24,385
Purchases of intangible assets		-	(19)
Purchases of tangible fixed assets		(677)	(867)
Interest received		2,526	2,494
Distributions received on fixed assets investments		20,090	70,821
Purchase of subsidiary undertakings		(1,255)	(16,336)
Net cash acquired with subsidiary undertaking		805	1,976
Capital repayments from fixed and current investments		12,296	22,226
Investment in fixed asset investments		(16,085)	(41,351)
Purchase of current asset investments		-	(1,016)
Investment in other loans		(14,140)	(8,167)
Repayment of other loans		3,183	-
Net cash generated from investing activities		9,409	54,146
Cash flows from financing activities			
Equity dividends paid		(1,122)	(858)
Equity dividends paid to non-controlling interests		(40)	-
Bank and other loans drawn		76,952	93,931
Bank and other loans repaid		(55,433)	(65,211)
Net funds to joint developers		(11,153)	(440)
Net cash generated from financing activities		9,204	27,422
Net increase in cash and cash equivalents		17,706	32,864
Cash and cash equivalents at the beginning of the year		49,475	16,611
Cash and cash equivalents at the end of the year		67,181	49,475
Cash and cash equivalents comprise:			
Cash at bank and in hand		67,181	49,475
		67,181	49,475

* Balances at 31 March 2018 have been restated to reclassify movements relating to loans receivable from the decrease in trade and other debtors to investment in and repayment of other loans.

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

Notes forming part of the financial statements

as at 31 March 2019

1 Accounting policies

Galliard Group Limited is a private company limited by shares incorporated in England & Wales under the Companies Act. The address of the registered office is given on page 82 and the nature of the group's operations is set out in the strategic report. The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland, and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investment properties, owner occupied properties held as fixed assets, and the modification to a fair value basis of certain financial obligations as specified in the accounting policies below.

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

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

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

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

The following principal accounting policies have been applied:

Going concern

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

The group's continued operation is dependent upon the availability of external finance. At 31 March 2019 the group had external debt with a value of £103,026,000 payable within twelve months.

Since the year-end £16,272,000 of the total debt above has been repaid either partially or in full out of post year-end sales proceeds. The remaining £86,754,000 is expected to be paid from sales proceeds in the next 12 months. The group has developments with a gross development value of £203,782,000 which are expected to complete in the next 12 months, of which £151,361,000 of property has already been sold off-plan. Since the year-end a further £26,312,000 of loans have become due for repayment within 12 months of the date of signing the accounts. 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. As part of this analysis the directors have considered the availability of future development finance to enable the completion of existing and future developments. Further consideration has been given to the group's cash flow forecasts. The directors are encouraged by the level of debt reduction since the year-end and remain confident that the level of debt due within twelve months from the date of signing these accounts will be further reduced by future sales. Based on the excellent track record of the group; level of free cash in the group; level of development pre-sales; and continued support of the group to date by its bankers, the directors remain confident that it will be able to refinance any remaining debt that falls due for renewal during the going concern period.

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

1 Accounting policies (continued)

Basis of consolidation

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

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

Joint ventures and associates

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

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

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

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

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

Turnover

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

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

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

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

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

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

1 Accounting policies (continued)

Goodwill

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

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

Investment properties

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

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

Tangible fixed assets

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

The group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred if the replacement part is expected to provide incremental future benefits to the group. The carrying amount of the replaced part is derecognised.

Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation of fixed assets

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

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

Motor vehicles - 4 years per annum straight line.

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

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

1 Accounting policies (continued)

Investments

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

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

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

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

Stocks

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

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

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

Financial assets, liabilities, instruments and costs

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

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

Operating leases - lessee

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

Operating leases - lessor

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

1 Accounting policies (continued)

Taxation

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

Current tax

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

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.

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 that:

- 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.

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 2019 £'000	Group 2018 £'000
Turnover comprises:		
Amount from contracted construction work	**182,821**	223,425
Amount from the sale of residential property	**185,105**	72,537
Total	**367,926**	295,962

4 Employees

	Group 2019 £'000	Group 2018 £'000
Staff costs consist of:		
Wages and salaries	**28,685**	28,917
Social security costs	**3,382**	3,333
Other pension costs	**1,982**	429
Total	**34,049**	32,679

	Number	Number
The average number of employees, including directors during the year was:		
Construction	**251**	267
Sales	**44**	50
Administration	**149**	250
Total	**444**	567

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 £1,982,000 (2018 - £429,000).

5 Directors' emoluments

	2019 £'000	2018 £'000
Directors' remuneration consists of:		
Remuneration for qualifying services	**4,288**	4,392
Company pension contributions to defined contribution schemes	**119**	36
Total	**4,407**	4,428
Pension contributions accrue in respect of 4 directors.		
Highest paid director:		
Salary and other taxable benefits	**1,725**	1,486
Company pension contributions to defined contribution schemes	**79**	9
Total	**1,804**	1,495

Notes forming part of the financial statements

as at 31 March 2019

6 Other operating income

	Group 2019 £'000	Group 2018 £'000
Development management fees	5,720	7,752
Rental income	7,979	7,568
Income from hotel and leisure operations	-	5,686
Commissions	629	2,059
Property management services	1,371	1,301
Forfeited deposits	1,086	658
Investment and other income	3,941	2,199
Total	20,726	27,223

The sale of the hotel and leisure business assets and operations completed on 25 June 2018.

Exceptional other income	20,800	-
Total	20,800	-

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

7 Other operating expenses

	Group 2019 £'000	Group 2018 £'000
Rental expenses	7,623	4,217
Hotel and leisure operations	332	5,877
Property management services	1,173	804
Impairment of related party and other debtors	1,289	3,595
Onerous lease provision	(172)	3,458
Total	10,245	17,951

8 Group operating profit

	2019 £'000	2018 £'000
This has been arrived at after charging:		
Depreciation - owned assets	233	535
Operating lease expense	2,171	1,379
Principal auditor's remuneration		
Audit (Company £20,600, 2017 - £20,000)	486	455
Audit of associated companies	-	15
Taxation compliance and advisory services	428	499
Release of negative goodwill	(139)	(11,728)
Impairment of intangible assets - website	-	134
Impairment of fixed asset investments	42	2,150

9 Interest receivable and similar income

	Group 2019 £'000	Group 2018 £'000
Bank interest	**228**	949
Other interest	**7,554**	2,027
Total	**7,782**	2,976

10 Interest payable and similar charges

	Group 2019 £'000	Group 2018 £'000
Bank loans	**6,765**	5,825
Other loans	**2,556**	4,121
Amortisation of issue costs	**1,350**	1,712
Preference dividend	**2,150**	2,150
(Decrease)/increase in provisions for joint developer obligations	**(2,157)**	26,621
Total	**10,664**	40,429

Notes forming part of the financial statements

as at 31 March 2019

11 Tax on profit from ordinary activities

	Group 2019 £'000	Group 2018 £'000
Corporation tax payable on profits for the year	10,717	3,858
Adjustment in respect of prior year	(1,766)	(225)
Current tax charge for the year	8,951	3,633
Deferred tax credit	(3,119)	(357)
	5,832	3,276
Tax reconciliation:		
Profit on ordinary activities before taxation	61,641	46,547
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%))	11,712	8,844
Effects of:		
Expenses not deductible for tax purposes	738	1,883
Adjustments to tax charge in respect of prior years	(1,766)	(225)
Share of joint venture profits	(1,391)	(4,810)
Non taxable write back of negative goodwill	(211)	(2,423)
Different tax rates on deferred tax	-	(31)
Unrecognised deferred tax	(637)	13
Recognised deferred tax	(3,119)	-
Indexation on chargeable gains	-	(85)
Other movements	506	110
Total tax charge for the year	5,832	3,276

The deferred tax charge relating to items recognised in other comprehensive income is a charge of £29,000 (2018 - £121,000).

12 Intangible assets

Negative goodwill	Group 2019 £'000	Group 2018 £'000
Cost		
At 1 April 2018	(7,805)	(20,560)
Realised in profit and loss account	1,112	12,755
At 31 March 2019	(6,693)	(7,805)

13 Tangible fixed assets

Group	Property £'000	Fixtures and equipment £'000	Motor vehicles £'000	Total £'000
Cost or valuation				
At 1 April 2018	29,762	4,582	758	35,102
Additions	268	17	392	677
Revaluation	1,301	-	-	1,301
Disposals	(2,452)	(1,763)	(324)	(4,539)
At 31 March 2019	**28,879**	**2,836**	**826**	**32,541**
Depreciation				
At 1 April 2018	-	3,516	442	3,958
Charge for the year	-	97	136	233
Disposals	-	(887)	(172)	(1,059)
At 31 March 2019	**-**	**2,726**	**406**	**3,132**
Net book value				
At 31 March 2019	**28,879**	**110**	**420**	**29,409**
At 31 March 2018	29,762	1,066	316	31,144

Property	Investment property £'000	Owner occupied property £'000	Long leasehold property £'000	Total £'000
Cost or valuation				
At 1 April 2018	25,093	4,169	500	29,762
Additions	268	-	-	268
Transfer to owner occupied	(29)	29	-	-
Revaluation	1,132	169	-	1,301
Disposals	(2,452)	-	-	(2,452)
At 31 March 2019	**24,012**	**4,367**	**500**	**28,879**
Net book value				
At 31 March 2019	**24,012**	**4,367**	**500**	**28,879**
At 31 March 2018	25,093	4,169	500	29,762

Valuation

The group's investment properties, including owner-occupied property, were valued by the directors as at 31 March 2019. In their opinion, the fair market value was £28,379,000 (2018 - £29,262,000) as compared to a historical cost of £12,179,000 (2018 - £14,046,000).

Notes forming part of the financial statements

as at 31 March 2019

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 2018	85,592	55,828	4,435	145,855
Additions	11,356	3,616	1,113	16,085
Return of investment funding	(8,343)	(104)	(3,849)	(12,296)
Transfer to subsidiary	(1,716)	-	-	(1,716)
Reclassified from other assets	4,061	-	1,927	5,988
Impairments	(42)	-	-	(42)
Fair value loss realised through profit or loss	(1,045)	-	-	(1,045)
At 31 March 2019	**89,863**	**59,340**	**3,626**	**152,829**
Share of retained profits				
At 1 April 2018	1,809	(3,982)	-	(2,173)
Total comprehensive income for the year	16,403	(3,148)	-	13,255
Amounts distributed	(20,090)	-	-	(20,090)
Transfer to subsidiary	140	-	-	140
Fair value loss realised through profit or loss	1,045	-	-	1,045
At 31 March 2019	**(693)**	**(7,130)**	**-**	**(7,823)**
Net book value				
At 31 March 2019	**89,170**	**52,210**	**3,626**	**145,006**
At 31 March 2018	87,401	51,846	4,435	143,682

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

Certain receivables from joint ventures have been reclassified from related party debtors (£4,184,000) and current asset investments (£155,000) to investments in joint ventures and from investments in joint ventures to other fixed asset investments (£278,000) depending on the nature of their settlement. Certain current asset investments (£957,000) and other debtors (£692,000) deemed long-term in nature have been reclassified to other fixed asset investments.

Fixed asset investments

Company	Subsidiary undertakings £'000	Joint ventures £'000	Total £'000
Cost			
At 1 April 2018 and 31 March 2019	**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 2018	1,806	-
Transfers to fixed asset investments and other assets	(1,413)	-
Impairment reversal	314	-
At 31 March 2019	707	-

16 Stocks

	Group 2019 £'000	Group 2019 £'000
Development properties held in work in progress	310,117	348,686
Total	310,117	348,686

Stock recognised in cost of sales during the year as an expense was £129,730,000 (2018: £61,467,000).

Impairment losses of £1,711,000 (2018 - £565,000) were recognised in cost of sales against stock during the year due to market conditions.

Total stock held as security against loans was £229,115,000 (2018 - £199,561,000).

17 Debtors due in less than one year

	Group 2019 £'000	*Restated Group 2018 £'000	Company 2019 £'000	Company 2018 £'000
Trade debtors	20,831	23,679	-	-
Amounts owed by subsidiaries	-	-	237,700	177,033
Amounts owed by related companies	43,758	48,512	-	-
Loans receivable*	18,865	6,408	1,273	-
Amounts due in respect of joint developments	2,883	21,042	-	-
Prepayments and accrued income	21,136	16,407	16	-
Other debtors*	26,087	42,326	1	3,751
Total	133,560	158,374	238,990	180,784

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

* Loans receivable due in less than one year of £6,408,000 and loans receivable due in more than one year of £5,108,000 have been reclassified in the current year. These were previously in other debtors.

18 Debtors due in more than one year

	Group 2019 £'000	*Restated Group 2018 £'000	Company 2019 £'000	Company 2018 £'000
Loans receivable	**13,980**	5,108	**5,543**	5,108

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 2019 £'000	*Restated Group 2018 £'000	Company 2019 £'000	Company 2018 £'000
Loans and overdrafts*	**103,026**	67,772	**-**	-
Trade creditors	**20,149**	23,209	**11**	-
Amounts owed to related companies	**18,158**	29,838	**-**	-
Amounts due in respect of joint developments	**26,464**	34,793	**-**	-
Corporation tax	**5,761**	4,572	**-**	-
Other tax and social security	**1,748**	4,352	**-**	-
Other creditors	**37,814**	84,951	**-**	924
Deferred tax (note 23)	**1,419**	4,538	**-**	-
Accruals and deferred income	**50,522**	74,892	**21**	187
Preference shares	**43,000**	43,000	**43,000**	43,000
Total	**308,061**	371,917	**43,032**	44,111

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 £9,525,000 on which interest is charged at rates between 1.8% and 12%. Interest rates paid on all other loans are based on LIBOR or the Base Rate plus a margin.

* Creditors falling due within one year have been restated to reclassify payments presented at the balance sheet date but cleared post year-end of £10,651,000 from loans and overdrafts to net against cash at bank and in hand. There were no arranged overdrafts as at 31 March 2019 (31 March 2018 - none).

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 and 21 are the following amounts for both group and company in respect of nominal value and accrued dividend to 31 March 2019:

	2019 £'000	2018 £'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 2019 £'000	Group 2018 £'000	Company 2019 £'000	Company 2018 £'000
Bank and other loans	**53,941**	61,831	**-**	-
Bank, other loans and preferences shares due:				
In one year or less, or on demand	**146,026**	110,772	**43,000**	43,000
Between one and two years	**48,477**	37,190	**-**	-
Between two and five years	**5,142**	24,227	**-**	-
Over five years	**322**	414	**-**	-
Total	**53,941**	61,831	**-**	-

Bank loans are shown net of issue costs of £1,631,000 (2018 - £1,874,000). 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 2019 £'000	*Restated Group 2018 £'000	Company 2019 £'000	Company 2018 £'000
Financial assets				
Financial assets measured at amortised cost	**204,267**	205,718	**245,356**	186,013
Financial liabilities				
Financial liabilities measured at amortised cost	**322,051**	394,549	**43,032**	44,111

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.

* Financial assets and financial liabilities have been restated to reclassify payments presented at the balance sheet date but cleared post year-end from loans and overdrafts to net cash.

Notes forming part of the financial statements

as at 31 March 2019

22 Provisions for liabilities

	Group 2019 £'000	Group 2018 £'000
Provisions for liabilities and charges comprises:		
Provisions for joint developer obligations	**28,307**	35,158
Other provisions	**13,125**	9,258
	41,432	44,416
Movement in provisions:		
At 1 April	**44,416**	29,253
Provisions created	**12,218**	21,211
Provisions utilised	**(4,656)**	(2,700)
Provisions released	**(10,546)**	(3,348)
At 31 March	**41,432**	44,416

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

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

23 Deferred taxation

The deferred tax liability is as follows:

	Group 2019 £'000	Group 2018 £'000
Business combinations	**67**	2,993
Property revaluations	**2,094**	1,902
Unrealised intra-group profits	**(572)**	(223)
Other timing differences	**(170)**	(134)
	1,419	4,538

24 Called up share capital

	2019 £'000	2018 £'000
Authorised		
37,500,000 ordinary shares of £0.0001 each (2018: 37,500,000)	**4**	4
	4	4
Called up, allotted and fully paid		
37,500,000 ordinary shares of £0.0001 each	**4**	4
	4	4

All shares rank pari passu in all respects.

25 Dividends

	2019 £'000	2018 £'000
Ordinary shares		
Dividend of 4.4 pence per share (2018 – 4.4 pence per share)	**1,650**	1,650
At 31 March	**1,650**	1,650

On 18 December 2018 a dividend of 4.4 pence per share was paid to the holders of the ordinary shares in the company.

26 Warrant reserve

	2019 £'000	2018 £'000
At 1 April	**3,750**	-
Warrant issued	**-**	3,750
At 31 March	**3,750**	3,750

Under the terms of an agreement between Galliard and CH Capital A Holdings LLC ("Cain International") to enter into a joint venture arrangement for future redevelopment opportunities, a warrant to subscribe for additional shares representing 10% of the enlarged share capital of Galliard Group Ltd was issued to Cain International on 1 December 2014. Following the issue of additional ordinary shares to Oxley Bright Pte Limited in July 2015 the period within which this warrant could be exercised and the number of shares exercisable were both amended. On 30 March 2018 in return for an immediate payment of £3,750,000 on account of the total subscription price, a further extension to the expiry date was granted. Currently the warrant must be exercised on or before 30 September 2019 and entitles Cain International to subscribe for 4,166,667 ordinary shares in the company at a total consideration of £25,000,000. The £3,750,000 received on account has been credited to a warrant reserve pending exercise of the warrant or expiry of the exercise period whichever occurs sooner.

27 Contingent liabilities

	Group 2019 £'000	Group 2018 £'000
Planning overage	**5,512**	-

During the year the group entered into an overage deed in respect of a planning application on a development site. The total planning overage payment due is dependent upon severable 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 requires a minimum planning overage payment of £4,000,000 on 1 March 2020 whether or not planning consent has been granted at that date. As such, a provision has been recognised at the balance sheet date for the minimum planning overage. The directors' current estimate of the total planning overage due is £9,512,000.

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

28 Lease obligations

As lessee

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

	Group 2019 £'000	Group 2018 £'000
Operating leases which expire:		
Not later than 1 year	**1,212**	1,209
Later than 1 year and not later than 5 years	**5,029**	3,636
Later than 5 years	**10,979**	13,583
Total	**17,220**	18,428

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 2019 £'000	Group 2018 £'000
Not later than 1 year	**2,636**	2,563
Later than 1 year and not later than 5 years	**7,519**	6,981
Later than 5 years	**5,820**	5,370
Total	**15,975**	14,914

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 (2018 - £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 2019 £'000	Group 2018 £'000	Company 2019 £'000	Company 2018 £'000
	105,142	80,049	**101,247**	51,315

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.

	2019 £'000	2018 £'000
Details of the outstanding balances are:		
Lancelot Management Limited	**191**	191
Real Estate Investment & Trading Limited	**1,317**	680
	1,508	871

Amounts due in respect of properties owned by Mr S S Conway totalling £205,000 (2018 - £204,000) related to refurbishment works.

The group has a loan owing to Plotplan Ltd, a company controlled by Mr R M Conway, Mr G A Conway and Mr D E Conway, of £2,171,000 (2018 - £2,171,000). The purpose of the loan is to assist the acquisition of a development site. Interest is charged on the loan at 15% per annum and the loan is repayable on demand. An additional balance of £7,686,000 (2018 - £7,568,000) is outstanding and owing to Plotplan Ltd which does not carry interest and for which there are no formal terms of repayment.

31 Related party transactions (continued)

The group has loans and accrued interest owing to Vinepost Ltd, a company of which Mr R M Conway, Mr D E Conway and Mr G A Conway are directors, totalling £7,206,000 (2018 - £6,025,000). Interest is charged on the loan principals totalling £5,283,000 (2018 - £4,313,000) at rates between 8% and 12% (2018 - £8% and 10%).

The following loan balances were due (to)/from directors of the group as at 31 March 2019:

	At 1 April 2018 £	Movement in year 2019 £	At 31 March 2019 £	Highest sum outstanding during year £
Mr S S Conway	(2,242,000)	(987,000)	(3,229,000)	(3,649,000)
Mr D O'Sullivan	453,000	22,000	475,000	475,000
Mr D E Conway	175,000	9,000	184,000	184,000
Mr R E Conway	166,000	(161,000)	5,000	179,000
Mr J M Morgan	37,000	1,000	38,000	38,000

During the year the company paid £1,320,000 (2018 - £792,000) in dividends to directors who are also shareholders.

During the year the directors claimed a total of £11,380 (2018 - £27,557) in company related expenses.

No amounts are paid to any director other than those disclosed elsewhere in the report.

Key management personnel

All directors and certain senior employees who have authority and responsibility for planning, directing and controlling the activities of the Group are considered to be key management personnel. Total remuneration is respect of these individuals is £4,407,000 (2018 - £4,428,000).

Joint venture and associated companies

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

	Group 2019 £'000	Group 2018 £'000
Net sales of goods and services	**140,242**	74,859
Net recharges of goods and services	-	20
	140,242	74,879

A total amount of £149,246,000 (2018 - £147,444,000) was due from joint ventures and associated undertakings. The amounts are included in the consolidated balance sheet.

32 Ultimate parent company

In the opinion of the directors there is no ultimate controlling party.

33 Subsidiary undertakings, associates and joint ventures

Subsidiary undertakings	% Held	
581 & 581B Kenton Lane Limited	100%	*
Acorn & GH (RF) Limited	50%	*
Acorn (Chillington) Ltd	50%	*
Arches Southall Limited	100%	*
Axelcover Limited	100%	*
Baltimore Wharf SLP	50%	*
Baltimore Wharf Ground Rent Limited	50%	*
Baltimore Wharf GP Limited	50%	*
Bestzone Limited	100%	*
Bluecroft Riverdale LLP	100%	*
Bonfire Hill Development Company Limited	100%	*
Bourne Court Properties Limited	100%	*
Brentwood Developments Limited	50%	*
Britannia Sports and Leisure Partnership Limited	100%	*
Carlton House Developments Limited	100%	*
Calverley Court Limited (Jersey)	50%	*
Chiltern Court Properties Limited	100%	*
Choicetime Limited	100%	*
Cygnet Street Developments Limited	100%	*
Diverse (S&L) No.3 Limited (Jersey)	100%	*
Drayton Park Developments Limited	100%	*
Dunford Court Management Limited	100%	*
Evolve (Colchester) Limited	50%	*
Erinlink Limited	100%	*
Felcon Blackheath Limited	75%	*
Fieldfind Limited	100%	*
Fontpress Limited	100%	*
Freshplant Limited	100%	*
Friars Developments Limited	100%	*
G.E.P.C. Limited	100%	*
Galliard (Cheltenham) Limited	100%	*
Galliard (Southwark) Limited	100%	*
Galliard Construction Limited	100%	*
Galliard Homes Limited	100%	*
Galliard Holdings Limited	100%	#
Galliard Hotels Limited	100%	*
Galliard Resorts Limited	100%	*
Galliard Trading Limited	100%	*
GHL (BPC) Limited	100%	*
GHL (BPC 2) Limited	100%	*
GHL (Bedminster Bristol) Limited	100%	*
GHL (Bristol) Limited	100%	*
GHL (Buckle Street) Limited	100%	*
GHL (Chigwell) Limited	100%	*
GHL (Hendon Hall) Limited	100%	*
GHL (Kilmorie) Limited	100%	*
GHL (Merrick Road) Limited	100%	*
GHL (Lisburn NI) Limited	100%	*
GHL (Liverpool Road) Limited	100%	*
GHL (Moxon St) Limited	100%	*
GHL (Museum St) Limited	100%	*
GHL (Plot 105) Limited	100%	*
GHL (Stanley Place) Limited	50%	*
GHL (Strand) Limited	100%	*
GHL (Summerstown) Limited	100%	*
GHL (Trinity Square) Limited	100%	*
GHL Trinity Square LP	100%	*
GHL Trinity Square GP Limited	100%	*
GHL (WIE) Limited	100%	*
Gladstone Court Developments Limited	100%	*
Gladstone Holdings Limited	100%	*
Goldenmill Limited	99%	*
Goodmayes 40 Limited	100%	*
GSY Operations Limited	100%	*
Harley House (Marylebone) Limited	100%	*
Harley House Developments Limited	100%	*
Harley House Investments Limited	100%	*
Heartpride Limited	33%	*
Heatpoint Limited	50%	*
Highfield House (Southampton) Management Limited	100%	*
Honiton Developments Limited	100%	*
Iconshield Limited	100%	*
Innerdeal Limited	100%	*
Ironstore Limited	100%	*
Jewelside Limited	100%	*
Kewdeal Limited	67%	*
Kilmorie Investments LLP	100%	*
Kilmorie Properties Limited	100%	*
Limetown Limited	49.5%	*
Lionstar Limited	100%	*
Lodgeshine Limited	100%	*
Ludgate Broadway Limited	100%	*
Liftzone Limited	100%	*
Metrosold Limited	100%	*
Millharbour Developments Limited	100%	*
NCQ Developments Limited	100%	*
Neasden Developments Limited	100%	*
Neptune Point Developments Limited	100%	*
Netcircle Limited	100%	*
Netlink Limited	49.5%	*
Nileford Limited	100%	*
Norlington Road Developments Limited	100%	*
Ovingdean Hall College Limited	100%	*
Polofind Limited	100%	*
Property Management Matters Limited	80%	*
Quickdrop Limited	100%	*
Red Lion Court Developments Limited	100%	*
Reflex Bridging Limited	100%	*
Retallack Construction Limited	100%	*
Retallack Holiday Lettings 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%	*
Shenley Developments Limited	100%	*
Solution Business Space Limited	100%	*
South City Court Limited	100%	*
St Edwards Court (Romford) Limited	100%	*
Swingdeal Limited	100%	*
Tallack Road Developments Limited	100%	*
Targetplace Limited	100%	*
Thames Farm Developments Limited	100%	*
The Property Club Holdings Limited	100%	#
Thorney Leys Developments Limited	100%	*
Vinelodge Limited	100%	*
Vitalcharm Limited	100%	*
Wapping Riverside Limited	100%	*
Western Spirit Glade Limited	100%	*
Western Spirit Limited	33%	*
Windora Limited	49.4%	*
Workout Limited	100%	*
Yalecove Limited	100%	*
Yasfind Limited	100%	*
Zerodown Limited	100%	*

Joint Ventures	% Held	
Zesthouse Limited	100%	*
Ailsa Wharf Developments Limited	20%	*
Hope House (Bath) Limited	50%	*
New Road (Crouch End) Limited	50%	*
RST GH Limited	50%	*
Acorn (Trinity Square) Limited	33%	*
Belsize Park Developments Limited	100%	*
Boleyn Phoenix Limited	50%	*
Brooks Laundry LLP	50%	*
Caxton Works Development Limited	50%	*
Dalton Properties Limited	60%	*
Derby Terrace Limited	100%	*
Evolve (Milton Keynes) Limited	100%	*
FGA Developments Limited	50%	*
Findmark Limited	67%	*
Galliard Developments Limited	50%	#
GHL (Carlow) Limited	33%	*
GHL (Crescent Lane) Limited	50%	*
GHL (Eagle Wharf Rd) Limited	20%	*
GHL (Hackney Wick) Limited	100%	*
GHL (Harlow) Limited	100%	*
GHL (Portobello Road) Limited	50%	*
GHL (Watford) Limited	50%	*
GHL Chiltern Street Limited	60%	*
Goodmayes 19 Limited	50%	*
Kelsworth Limited	33%	*
Leagrave Developments Limited	50%	*
Lastzone Limited	100%	*
Life At Limited	50%	*
M Street Ipswich LLP	50%	*
Markhome Limited	50%	*
McGrath Bros. Waste Control (Hackney) Limited	100%	*
Merton Acquisitions Limited	50%	*
Millharbour LLP	100%	*
Millharbour 2 LLP	100%	*
Millharbour Village Limited	50%	*
Northwood Street Limited	50%	*
One Lusty Glaze Limited	25%	*
Pentire Pavilions Limited	50%	*
Pershore Street Limited	25%	*
Ridgeton Limited	67%	*
Romney House Developments Limited	50%	*
Signature Resorts (UK) Limited	71%	*
Signature Resorts Limited	100%	*
Soho Loop Limited	50%	*
Stamford Hounslow Limited	30%	*
Stratford High Street Ventures Limited	50%	*
Summerhill Birmingham Limited	50%	*
Stratford High Street Limited	50%	*
The Cut Developments Limited	50%	*
Vasthouse Limited	30%	*

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

directly held
* indirectly held

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

33 Subsidiary undertakings, associates and joint ventures (continued)

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

Calverley Court Limited	28-30 The Parade, St Helier, Jersey, Channel Islands, JE1 1EQ
Darkjet Limited	Lynton House, 7-12 Tavistock Square, London, WC1H 9BQ
Diverse (S&L) No.3 Limited	3rd Floor, One The Esplanade, St Helier, Jersey, JE2 3QA
Giantview Limited	Dockmaster's House, 1 Hertsmere Road, London, E14 8JJ
Hollybase Limited	Dockmaster's House, 1 Hertsmere Road, London, E14 8JJ
Stamford Hounslow Limited	3rd Floor, Paternoster House, 65 St Paul's Churchyard, London, EC4M 8AB
Life At limited	Regina House, 124 Finchley Road, London, NW3 5JS
Pentire Pavilions Limited	Bridge House, 4 Borough High Street, London, SE1 9QR
Romney House Developments Limited	11-15 Wigmore Street, London, W1A 2JZ
Ailsa Wharf Developments Limited	119 High Street, Loughton, IG10 4LT
Hope House (Bath) Limited	Bridge House 4 Borough High Street, London, SE1 9QR
New Road (Crouch End) Limited	Bridge House 4 Borough High Street, London, SE1 9QR
RST GH Limited	Bridge House 4 Borough High Street, London, SE1 9QR
The Cut Developments Limited	Bridge House 4 Borough High Street, London, SE1 9QR
Acorn (Trinity Square) Limited	Bridge House 4 Borough High Street, London, SE1 9QR
GHL (Eagle Wharf Road) Limited	28 Manchester Street, London, W1U 7LF
Markhome Limited	50 Lancaster Road, Enfield, Middlesex, EN2 0BY
One Lusty Glaze Limited	Bridge House, 4 Borough High Street, London, SE1 9QR
37-41 Mortimer Street LLP	33 Davies Street, London, W1K 4LR
Vasthouse Limited	28 Manchester Street, London, W1U 7LF

Look through results (unaudited)

as at 31 March 2019

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 2019						
Turnover	**367,926**	**(57,266)**	**139,018**	**-**	**(2,948)**	**446,730**
- Construction	*182,821*	*(57,266)*	*-*	*-*	*-*	*125,555*
- Developments	*185,105*	*-*	*139,018*	*-*	*(2,948)*	*321,175*
Cost of sales	**(337,348)**	**57,266**	**(110,864)**	**-**	**3,259**	**(387,687)**
- Construction	*(166,437)*	*57,266*	*-*	*-*	*-*	*(109,171)*
- Developments	*(170,911)*	*-*	*(110,864)*	*-*	*3,259*	*(278,516)*
Gross profit	**30,578**	**-**	**28,154**	**-**	**311**	**59,043**
- Construction	*16,384*	*-*	*-*	*-*	*-*	*16,384*
- Developments	*14,194*	*-*	*28,154*	*-*	*311*	*42,659*
Overheads	(17,004)	2,172	(3,334)	(22)	48	(18,140)
Other operating income	20,726	(2,172)	21,268	733	(456)	40,099
Exceptional other income	20,800	-	-	-	-	20,800
Other operating expenses	(10,245)	-	(8,526)	(1,225)	802	(19,194)
Profit from the sale of fixed assets	5,338	-	-	-	(2)	5,336
Gains from fair value changes in investment properties	1,132	-	-	-	-	1,132
Group operating profit	**51,325**	**-**	**37,562**	**(514)**	**703**	**86,076**
Share of profit/(loss) in:						
Joint ventures	16,403	(16,403)	-	-	-	-
Associates	(3,148)	3,148	-	-	-	-
	13,255	**(13,255)**	**-**	**-**	**-**	**-**
Interest receivable and similar income	7,782	(3,482)	2,004	864	(79)	7,089
Interest payable and similar charges	(10,664)	3,482	(15,082)	(3,391)	544	(25,111)
Joint developers' share of losses	(57)	-	(1,527)	-	-	(1,584)
Profit on ordinary activities before taxation	**61,641**	**(13,255)**	**22,957**	**(3,041)**	**1,168**	**69,470**
Tax on profit on ordinary activities	(5,832)	-	(6,553)	(108)	376	(12,117)
Profit for the financial year	**55,809**	**(13,255)**	**16,404**	**(3,149)**	**1,544**	**53,389**
Non-controlling interests	1,544	-	-	-	(1,544)	-
Profit for the financial year attributable to owners of the parent	**57,353**	**(13,255)**	**16,404**	**(3,149)**	**-**	**57,353**
Gross profit margin	**8.3%**		**20.3%**			**13.2%**
- Construction	*9.0%*		*0.0%*			*13.0%*
- Developments	*7.7%*		*20.3%*			*13.3%*
Operating margin	**13.9%**		**27.0%**			**19.9%**

Look through results (unaudited)

	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 2018						
Turnover	**295,962**	**(28,762)**	**222,846**	**-**	**(29,722)**	**460,324**
- Construction	*223,425*	*(28,762)*	*-*	*-*	*-*	*194,663*
- Developments	*72,537*	*-*	*222,846*	*-*	*(29,722)*	*265,661*
Cost of sales	**(263,322)**	**31,010**	**(158,599)**	**-**	**17,680**	**(373,231)**
- Construction	*(207,368)*	*28,762*	*-*	*-*	*-*	*(178,606)*
- Developments	*(55,954)*	*2,248*	*(158,599)*	*-*	*17,680*	*(194,625)*
Gross profit	**32,640**	**2,248**	**64,247**	**-**	**(12,042)**	**87,093**
- Construction	*16,057*	*-*	*-*	*-*	*-*	*16,057*
- Developments	*16,583*	*2,248*	*64,247*	*-*	*(12,042)*	*71,036*
Overheads	(17,157)	-	(2,824)	-	617	(19,364)
Other operating income	27,223	(2,248)	14,948	418	(1,376)	38,965
Other operating expenses	(17,951)	-	(6,151)	(764)	2,376	(22,490)
Profit from the sale of fixed assets	6,071	-	358	-	(1,359)	5,070
Gains from fair value changes in investment properties	3,967	-	(4,935)	-	(260)	(1,228)
Group operating profit	**34,793**	**-**	**65,643**	**(346)**	**(12,044)**	**88,046**
Share of profit/(loss) in:						
Joint ventures	46,462	(46,462)	-	-	-	-
Associates	(321)	321	-	-	-	-
	46,141	**(46,141)**	-	-	-	-
Interest receivable and similar income	2,976	(1,125)	660	690	(46)	3,155
Interest payable and similar charges	(40,429)	1,125	(15,271)	(655)	765	(54,465)
Joint developers' share of losses	3,066	-	865	-	-	3,931
Profit on ordinary activities before taxation	**46,547**	**(46,141)**	**51,897**	**(311)**	**(11,325)**	**40,667**
Tax on profit on ordinary activities	(3,276)	-	(5,435)	(10)	3,644	(5,077)
Profit for the financial year	**43,271**	**(46,141)**	**46,462**	**(321)**	**(7,681)**	**35,590**
Non-controlling interests	(7,681)	-	-	-	7,681	-
Profit for the financial year attributable to owners of the parent	**35,590**	**(46,141)**	**46,462**	**(321)**	**-**	**35,590**

Gross profit margin	**11.0%**		**28.8%**			**18.9%**
- Construction	*7.2%*		*0.0%*			*8.2%*
- Developments	*22.9%*		*28.8%*			*26.7%*
Operating margin	**11.8%**		**29.5%**			**19.1%**

Look through results (unaudited)

as at 31 March 2019

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

Consolidated net assets 2018	£'000	£'000	£'000	£'000	£'000	£'000
Intangible assets - negative goodwill	(7,805)	-	-	-	-	(7,805)
Intangible assets - positive goodwill	-	-	125	-	-	125
Tangible fixed assets	31,144	-	7,654	3,897	(13)	42,682
Fixed asset investments	143,682	(139,247)	14,796	243	-	19,474
	167,021	**(139,247)**	**22,575**	**4,140**	**(13)**	**54,476**
Current asset investments	1,806	-	3,581	-	-	5,387
Stocks	348,686	-	275,336	61,020	(7,862)	677,180
Debtors	163,482	-	29,556	(8,576)	(18,076)	183,538
Cash at bank and in hand	49,475	-	29,221	12,414	(4,398)	86,712
	563,449	**-**	**337,694**	**82,010**	**(30,336)**	**952,817**
Creditors: amounts falling due within one year	**(371,917)**	**-**	**(174,228)**	**(25,453)**	**16,917**	**(554,681)**
Net current assets	191,532	-	163,466	56,557	(13,419)	398,136
Total assets less current liabilities	358,553	(139,247)	186,041	60,697	(13,432)	452,612
Creditors due in more than one year	(61,831)	-	(86,590)	(8,851)	704	(156,568)
Provisions for liabilities	(44,416)	-	(12,050)	-	-	(56,466)
Net assets	**252,306**	**(139,247)**	**87,401**	**51,846**	**(12,728)**	**239,578**
Non-controlling interests	(12,728)	-	-	-	12,728	-
Equity attributable to owners of the parent	**239,578**	**(139,247)**	**87,401**	**51,846**	**-**	**239,578**

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