Group Strategic Report, Report of the Directors and

Audited Consolidated Financial Statements for the Year Ended 31 March 2021

for

LTC HOLDINGS PLC

Contents of the Consolidated Financial Statements
for the year ended 31 March 2021

Company Information
for the year ended 31 March 2021

DIRECTORS:	R G Smith G J Griggs
SECRETARIES:	G J Griggs
REGISTERED OFFICE:	C/O Thorne Lancaster Parker 4th Floor Venture house 27-29 Glasshouse street London W1B 5DF
REGISTERED NUMBER:	02570517 (England and Wales)
AUDITORS:	Thorne Lancaster Parker Chartered Accountants & Statutory Auditors 4th Floor Venture House 27-29 Glasshouse Street London W1B 5DF

The directors present their strategic report of the company and the group for the year ended 31 March 2021.

REVIEW OF BUSINESS

The principal activity of the Group in the year under review was that of the acquisition, provision, development and financing of residential property.

During the year the LTC Group business was primarily investment in the development of residential property undertaken via joint venture with the subsidiaries of a third party developer Kersfield Limited. As reported last year the developments undertaken by that group were severely affected by a combination of Covid and related and non-related construction issues and serious liquidity issues for a number of projects. The Kersfield companies have all subsequently entered receivership which have caused further complications and delays for the liquidation of the company's investments.

In October of 2020 the Company disposed of its 21% stake in HML Holdings plc for cash via a takeover of the that company by BDB Nominee Company Limited, a Harwood Capital Company. This yielded a gain on disposal of £1,037,532.

Last year the directors made provisions against the amounts due on repayment of its development loans of £3.5m and have made further provisions this year of £216,999. Accordingly the loss on ordinary activities attributable to shareholders for the year under review is £763,870 (2020:£4,230,877)

The directors have taken steps to significantly reduce overheads going forward and the board has reduced its remuneration to assist with this.

The group now holds a fixed charge and is the preferential creditor over the remaining assets of Kersfield Developments (Ensleigh South) Limited which is in liquidation. The group has appointed receivers. The process to realise the assets is in progress. The receiver, Begbie Traynor, has indicated the group may receive approximately £900,000 net of fees on successful disposal of the asset which is not recognised in these accounts.

The directors have also taken into account as far as possible the effect of the Covid 19 uncertainties in each location where it is invested. The overall net result has been transferred to reserves.

The directors intend to provide shareholders with a further opportunity to realise their shares as soon as the company has disposed of its remaining investments and will consider other liquidity options when they consider the company is in a position to do so.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group is exposed to various risks arising from its activities and these are discussed below.

Risks relating to the trading nature of the Group

The Group is subject to the trading risks associated with property trading. The value of the properties and developments may fluctuate and there is no guarantee that the anticipated levels of return will be achieved and properties and developments may have to be sold at a loss.

The existence of other operators in the same marketplace may impose restraints on the Group's ability to meet its financial and other targets, as may the performance of the Directors and staff, whether through death, illness, misjudgement or other factors.

The performance of the Group may be affected from time to time by factors outside the control of the Directors, such as economic, political and financial developments, positioning in the property market, changing public taste and a general slow-down in the demand for property. Developments may go over budget which may reduce any return to investors and may require additional third party funding.

Unforeseen delays to property development schedules, availability of contractors, adverse weather conditions and other factors beyond the control of the Directors may result in the developments missing intended delivery schedules and result in a delay to and/or reduction of the revenues available to the Group.

Market risk

Market risk embodies the potential for fair value gains and losses on the syndicated development loans. The Group's overall strategy for the management of market risk is driven by the investment objectives and the investment restrictions.

Liquidity risk

Liquidity risk is defined as the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another asset. Exposure to liquidity risk arises because of the possibility that the Group could be required to pay its creditors earlier than expected.

The cash position of the Group is monitored on a daily basis and no transactions take place unless there is sufficient cash to complete the transactions.

GOING CONCERN

The Directors have reviewed the Financial Reporting Council's Guidance on the going concern basis of accounting and reporting on solvency and liquidity risks that was issued in April 2016 and current guidance.

When assessing the group's and the company's ability to continue trading as a going concern the directors have reviewed the cash flows of the group for the 12 months to 31 March 2023. The review has encapsulated cash flows and working capital requirements as known at the date of this report.

As a result of Covid 19 the group has suffered a deterioration in its current trading and estimation of the short to medium term trading environment is not reliable. As such the directors have stress tested the 12-month period cashflows to 31 March 2023.

The Directors have reasonable expectations that the Group and the Company have adequate resources to continue their operational existence for the foreseeable future. Accordingly they continue to adopt a going concern basis of accounting in the preparing the Annual Report and Accounts.

ON BEHALF OF THE BOARD:

R G Smith - Director

31 March 2022

The directors present their report with the financial statements of the company and the group for the year ended 31 March 2021.

DIVIDENDS
No dividends will be distributed for the year ended 31 March 2021.

FUTURE DEVELOPMENTS
For the foreseeable future it is intended that the LTC group will continue to invest in and develop property.

EVENTS SINCE THE END OF THE YEAR
Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS
Details of directors' interests in the shares of the group are provided in note 20 to the financial statements.

Qualifying third party indemnity provision was in place for the benefit of all directors and company secretaries of the company and its subsidiaries throughout the year, and is still in place at the date of signing of the financial statements.

AGM
Notification of a date for the Annual General Meeting of the Company will be made in due course.

STATEMENT OF DIRECTORS' RESPONSIBILITIES
The directors are responsible for preparing the Group Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with 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 company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

AUDITORS
The auditors, Thorne Lancaster Parker, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

R G Smith - Director

31 March 2022

Opinion
We have audited the financial statements of LTC Holdings plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Company Statement of Financial Position, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Statement of Cash Flows and Notes to the Consolidated Statement of Cash Flows, 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 affairs as at 31 March 2021 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

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

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

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

Other information
The directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:
- the information given in the Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:
- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors
As explained more fully in the Statement of Directors' Responsibilities set out on page five, 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 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.

Auditors' 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 a Report of the Auditors 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:
We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS 102 and the Companies Act 2006) and compliance with the relevant direct and indirect tax regulation in the United Kingdom. In addition, the Company has to comply with laws and regulations relating to its operations, including UK employment laws, health and safety, and GDPR.

We understood how LTC Holdings PLC is complying with those frameworks by making enquires with management and those charged with governance to understand how the Company maintains and communicates policies and procedures in these areas. We understood any controls put in place by management to reduce the opportunities of fraudulent transactions.

We assessed the susceptibility of the company's financial statements to material misstatements including how fraud might occur through internal team conversations and inquiry of management and those charged with governance. Through these procedures we determined there to be a risk of management override associated with revenue and a fraud risk around transactions at the year end. We have performed tests of detail, including understanding of the nature of the transactions, verifying that the margin is appropriate, and verifying the clerical accuracy of the revenue recognised. In relation to management override, we selected a sample from the entire population of journals, including manual journals, identifying specific transactions which did not meet our expectations, in order to investigate, understand and agree to source documentation. We selected a sample of revenue transactions recorded before the year end and obtained documentation to verify that revenue adjustments had been recorded in the appropriate period.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved verifying that material transactions are recorded in compliance with FRS 102 and where appropriate Companies Act 2006. Compliance with other operational laws and regulations were covered through our inquiry with no indication of non-compliance identified.

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

Use of our report

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

Neil Usher (Senior Statutory Auditor)
for and on behalf of Thorne Lancaster Parker
Chartered Accountants &
Statutory Auditors
4th Floor
Venture House
27-29 Glasshouse Street
London
W1B 5DF

Date: 31 March 2022

Consolidated Statement of Comprehensive Income
for the year ended 31 March 2021

	Notes	2021 £	2021 £	2020 £	2020 £
TURNOVER			-		-
Cost of sales			216,999		3,554,158
GROSS LOSS			(216,999)		(3,554,158)
Administrative expenses			441,237		724,354
			(658,236)		(4,278,512)
Other operating income			1,207,537		-
OPERATING PROFIT/(LOSS)	5		549,301		(4,278,512)
Loss on property joint venture	6		1,315,367		-
			(766,066)		(4,278,512)
Income from fixed asset investments		-		44,331	
Interest receivable and similar income		2,196		3,304	
			2,196		47,635
LOSS BEFORE TAXATION			(763,870)		(4,230,877)
Tax on loss	7		-		-
LOSS FOR THE FINANCIAL YEAR			(763,870)		(4,230,877)
OTHER COMPREHENSIVE INCOME					
Fair value adjustment on other loans					
Fair value adjustment on investments			-		(424,445)
Income tax relating to other comprehensive income			-		-
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX			-		(424,445)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR			(763,870)		(4,655,322)
Loss attributable to:					
Owners of the parent			(763,870)		(4,230,877)
Total comprehensive income attributable to:					
Owners of the parent			(763,870)		(4,655,322)

The notes form part of these financial statements

Consolidated Statement of Financial Position
31 March 2021

		2021		2020	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	9		243		57
Investments	10		-		2,716,510
			243		2,716,567
CURRENT ASSETS					
Debtors	11	44,582		215,649	
Cash at bank		2,419,479		263,399	
		2,464,061		479,048	
CREDITORS					
Amounts falling due within one year	12	511,844		479,285	
NET CURRENT ASSETS/(LIABILITIES)			1,952,217		(237)
TOTAL ASSETS LESS CURRENT LIABILITIES			1,952,460		2,716,330
CAPITAL AND RESERVES					
Called up share capital	13		2,429,442		2,429,442
Share premium	14		2,082,038		2,082,038
Capital redemption reserve	14		1,655,728		1,655,728
EST capital reserve	14		(421,224)		(421,224)
EST current reserve	14		28,667		28,667
Retained earnings	14		(3,822,191)		(3,058,321)
SHAREHOLDERS' FUNDS			1,952,460		2,716,330

The financial statements were approved by the Board of Directors and authorised for issue on 31 March 2022 and were signed on its behalf by:

R G Smith - Director

The notes form part of these financial statements

Company Statement of Financial Position
31 March 2021

	Notes	2021 £	2021 £	2020 £	2020 £
FIXED ASSETS					
Tangible assets	9		243		57
Investments	10		6,170		2,722,680
			6,413		2,722,737
CURRENT ASSETS					
Debtors	11	16,730		187,796	
Cash at bank		2,417,500		261,421	
		2,434,230		449,217	
CREDITORS					
Amounts falling due within one year	12	612,336		579,776	
NET CURRENT ASSETS/(LIABILITIES)			1,821,894		(130,559)
TOTAL ASSETS LESS CURRENT LIABILITIES			1,828,307		2,592,178
CAPITAL AND RESERVES					
Called up share capital	13		2,429,442		2,429,442
Share premium	14		2,082,038		2,082,038
Capital redemption reserve	14		1,655,728		1,655,728
EST capital reserve	14		(421,224)		(421,224)
EST current reserve	14		28,667		28,667
Retained earnings	14		(3,946,344)		(3,182,473)
SHAREHOLDERS' FUNDS			1,828,307		2,592,178
Company's loss for the financial year			(763,871)		(4,230,696)

The financial statements were approved by the Board of Directors and authorised for issue on 31st March 2022 and were signed on its behalf by:

R G Smith - Director

The notes form part of these financial statements

Consolidated Statement of Changes in Equity
for the year ended 31 March 2021

	Called up share capital £	Retained earnings £	Share premium £
Balance at 1 April 2019	2,429,442	1,597,001	2,082,038
Changes in equity			
Total comprehensive income	-	(4,655,322)	-
Balance at 31 March 2020	2,429,442	(3,058,321)	2,082,038
Changes in equity			
Total comprehensive income	-	(763,870)	-
Balance at 31 March 2021	2,429,442	(3,822,191)	2,082,038

	Capital redemption reserve £	EST capital reserve £	EST current reserve £	Total equity £
Balance at 1 April 2019	1,655,728	(421,224)	28,667	7,371,652
Changes in equity				
Total comprehensive income	-	-	-	(4,655,322)
Balance at 31 March 2020	1,655,728	(421,224)	28,667	2,716,330
Changes in equity				
Total comprehensive income	-	-	-	(763,870)
Balance at 31 March 2021	1,655,728	(421,224)	28,667	1,952,460

The notes form part of these financial statements

Company Statement of Changes in Equity
for the year ended 31 March 2021

	Called up share capital £	Retained earnings £	Share premium £
Balance at 1 April 2019	2,429,442	1,472,668	2,082,038
Changes in equity			
Total comprehensive income	-	(4,655,141)	-
Balance at 31 March 2020	2,429,442	(3,182,473)	2,082,038
Changes in equity			
Total comprehensive income	-	(763,871)	-
Balance at 31 March 2021	2,429,442	(3,946,344)	2,082,038

	Capital redemption reserve £	EST capital reserve £	EST current reserve £	Total equity £
Balance at 1 April 2019	1,655,728	(421,224)	28,667	7,247,319
Changes in equity				
Total comprehensive income	-	-	-	(4,655,141)
Balance at 31 March 2020	1,655,728	(421,224)	28,667	2,592,178
Changes in equity				
Total comprehensive income	-	-	-	(763,871)
Balance at 31 March 2021	1,655,728	(421,224)	28,667	1,828,307

Consolidated Statement of Cash Flows
for the year ended 31 March 2021

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	1	(1,382,835)	(390,153)
Net cash from operating activities		(1,382,835)	(390,153)
Cash flows from investing activities			
Purchase of tangible fixed assets		(324)	-
Sale of fixed asset investments		3,537,043	-
Interest received		2,196	3,304
Dividends received		-	44,331
Net cash from investing activities		3,538,915	47,635
Cash flows from financing activities			
New loans in year		-	(85,000)
Amount introduced by directors		-	18,716
Net cash from financing activities		-	(66,284)
Increase/(decrease) in cash and cash equivalents		2,156,080	(408,802)
Cash and cash equivalents at beginning of year	2	263,399	672,201
Cash and cash equivalents at end of year	2	2,419,479	263,399

The notes form part of these financial statements

1. RECONCILIATION OF LOSS BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2021	2020
	£	£
Loss before taxation	(763,870)	(4,230,877)
Depreciation charges	138	575
Profit on disposal of fixed assets	(1,037,532)	-
Provision on cost of loans	216,999	3,548,704
Provision on unlisted investment	-	5,454
Finance income	(2,196)	(47,635)
	(1,586,461)	(723,779)
Decrease in trade and other debtors	171,067	314,463
Increase in trade and other creditors	32,559	19,163
Cash generated from operations	(1,382,835)	(390,153)

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31 March 2021

	31.3.21	1.4.20
	£	£
Cash and cash equivalents	2,419,479	263,399

Year ended 31 March 2020

	31.3.20	1.4.19
	£	£
Cash and cash equivalents	263,399	672,201

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.20	Cash flow	At 31.3.21
	£	£	£
Net cash			
Cash at bank	263,399	2,156,080	2,419,479
	263,399	2,156,080	2,419,479
Total	263,399	2,156,080	2,419,479

1. STATUTORY INFORMATION

LTC Holdings plc is a public company, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006.

3. ACCOUNTING POLICIES

Basis of preparing the financial statements
The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in accordance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group and Company accounting policies. The areas where assumptions and estimates are significant to the financial statements are disclosed below.

Basis of consolidation
The group accounts consolidate the accounts of LTC Holdings plc and all its subsidiary undertakings drawn up to 31 March. No profit and loss account is presented for LTC Holdings plc, as permitted by section 408 of the Companies Act 2006. Investments in companies which are not subsidiaries are carried at cost unless the entity concerned ranks as an associate, in which case equity accounting is used.

A subsidiary undertaking of the company has taken advantage of the audit exemption under section 479A of the Companies Act 2006 for the year ended 31 March 2021.

The subsidiary concerned is LTC Trustees Limited (registered number 03654541).

Going concern
The Directors have reviewed the Financial Reporting Council's Guidance on the going concern basis of accounting and reporting on solvency and liquidity risks that was issued in April 2016 and current guidance.

When assessing the group's and the company's ability to continue trading as a going concern the directors have reviewed the cash flows of the group for the 12 months to 31 March 2023. The review has encapsulated cash flows and working capital requirements as known at the date of this report.

As a result of Covid 19, The group has suffered a deterioration in its current trading and estimation of the short to medium term trading environment is not reliable. As such the directors have stress tested the 12-month period cashflows to 31 March 2023.

The Directors have reasonable expectations that the Group and the Company have adequate resources to continue their operational existence for the foreseeable future. Accordingly they continue to adopt a going concern basis of accounting in the preparing the Annual Report and Accounts.

Property, plant and equipment
Other plant and machinery are stated at cost, which is normally the original purchase price, less accumulated depreciation and accumulated impairment losses.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Other plant & machinery	25% on cost

The assets carrying values are reviewed and adjusted, if appropriate, at the end of each reporting period.

continued...

3. **ACCOUNTING POLICIES - continued**

Current taxation
Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred taxation
Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Hire purchase and leasing commitments
Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits
The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

Employee share trust and share based payments
The company has established an employee share trust to enable shares in the company to be bought for distribution to employees. Shares in the company held by The London's Third City plc Employees' Share Trust ("the Trust" or "EST") are recognised as a deduction from shareholders' funds, with their historical cost recorded in the EST capital reserve. Incidental profits realised by the Trust are credited directly to the EST current reserve. Costs relating to the Trust are written off in the relevant period.

Share-based payments, including options and warrants, are expensed in the profit and loss account over the appropriate vesting period, in accordance with FRS 102.

continued...

3. **ACCOUNTING POLICIES - continued**

Financial instruments
The company has adopted sections 11 and 12 of FRS 102 in respect of financial instruments.

Basic financial assets

Trade and other debtors, loans to fellow group companies and bank balances are initially recognised at transaction price and subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period basic financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

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

Other financial assets

Listed equity investments which are not subsidiaries, associates or joint ventures and other loans in relation to syndicated residential property developments are initially measured at transaction price and subsequently carried at fair value and the changes in fair value are recognised in profit or loss.

Unlisted equity investments which are not subsidiaries, associates or joint ventures whose fair values cannot be measured reliably are measured at cost less impairment.

Basic and other financial assets are derecognised when (a) the contractual rights to the cash flows from the assets expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Basic financial liabilities

Trade and other creditors and loans from fellow group and related companies are initially recognised at transaction price and subsequently carried at amortised cost, using the effective interest rate method.

Basic financial liabilities are derecognised when the contractual obligation is discharged, cancelled or expired.

Significant judgements and estimates
Estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions used in relation to the valuation of loans to syndicated residential property developments (Other loans) have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

The fair value of other loans involved the use of valuation techniques and the estimation of future development profits to be generated at the time of redemption. The estimation of the fair values requires the combination of assumptions including profitability level and redemption period. In addition the use of discount rates requires judgement.

continued...

4. EMPLOYEES AND DIRECTORS

	2021	2020
	£	£
Wages and salaries	167,532	236,431
Social security costs	17,382	25,624
Other pension costs	3,463	5,227
	188,377	267,282

The average number of employees during the year was as follows:

	2021	2020
Directors	2	2
Property development and investment	2	2
	4	4

	2021	2020
	£	£
Directors' remuneration	62,565	109,062
Directors' pension contributions to money purchase schemes	-	952

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	-	1

5. OPERATING PROFIT/(LOSS)

The operating profit (2020 - operating loss) is stated after charging/(crediting):

	2021	2020
	£	£
Other operating leases before sub-let	9,725	46,505
Depreciation - owned assets	138	575
Profit on disposal of fixed assets	(1,037,532)	-
Auditors' remuneration	11,500	11,000
Taxation compliance services	-	4,250
Payments to third parties for directors' services	54,256	78,417

6. LOSS ON PROPERTY JOINT VENTURE

The loss on property joint venture totalling £1,315,367 relates to the assignment agreement of the assets of Kersfield Developments (Ensleigh South) Limited resulting from a guarantee liability.

7. TAXATION

Analysis of the tax charge
No liability to UK corporation tax arose for the year ended 31 March 2021 nor for the year ended 31 March 2020.

continued...

7. TAXATION - continued

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2021	2020
	£	£
Loss before tax	(763,870)	(4,230,877)
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	(145,135)	(803,867)
Effects of:		
Expenses not deductible for tax purposes	-	1,228
Income not taxable for tax purposes	-	(8,422)
Capital allowances in excess of depreciation	(2,757)	-
Depreciation in excess of capital allowances	-	109
Tax losses	147,892	810,952
Total tax charge	-	-

Tax effects relating to effects of other comprehensive income

There were no tax effects for the year ended 31 March 2021.

	2020		
	Gross	Tax	Net
	£	£	£
Fair value adjustment on other loans			
Fair value adjustment on investments	(424,445)	-	(424,445)
	(424,445)	-	(424,445)

8. INDIVIDUAL STATEMENT OF COMPREHENSIVE INCOME

As permitted by Section 408 of the Companies Act 2006, the Statement of Comprehensive Income of the parent company is not presented as part of these financial statements.

continued...

9. TANGIBLE FIXED ASSETS

Group

	Other plant & machinery £
COST	
At 1 April 2020	52,754
Additions	324
Disposals	(52,754)
At 31 March 2021	324
DEPRECIATION	
At 1 April 2020	52,697
Charge for year	138
Eliminated on disposal	(52,754)
At 31 March 2021	81
NET BOOK VALUE	
At 31 March 2021	243
At 31 March 2020	57

Company

	Other plant & machinery £
COST	
At 1 April 2020	52,754
Additions	324
Disposals	(52,754)
At 31 March 2021	324
DEPRECIATION	
At 1 April 2020	52,697
Charge for year	138
Eliminated on disposal	(52,754)
At 31 March 2021	81
NET BOOK VALUE	
At 31 March 2021	243
At 31 March 2020	57

continued...

10. FIXED ASSET INVESTMENTS

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Shares in group undertakings	-	-	6,170	6,170
Loans to undertakings in which the company has a participating interest	-	189,998	-	189,998
Other investments not loans	-	2,499,511	-	2,499,511
Other loans	-	27,001	-	27,001
	-	2,716,510	6,170	2,722,680

Additional information is as follows:

Group

	HML Holdings plc	Unlisted investments	Totals
	£	£	£
COST			
At 1 April 2020	2,499,511	5,454	2,504,965
Disposals	(2,499,511)	-	(2,499,511)
At 31 March 2021	-	5,454	5,454
PROVISIONS			
At 1 April 2020 and 31 March 2021	-	5,454	5,454
NET BOOK VALUE			
At 31 March 2021	-	-	-
At 31 March 2020	2,499,511	-	2,499,511

Company

	Shares in group undertakings	HML Holdings plc	Unlisted investments	Totals
	£	£	£	£
COST				
At 1 April 2020	6,170	2,499,511	5,454	2,511,135
Disposals	-	(2,499,511)	-	(2,499,511)
At 31 March 2021	6,170	-	5,454	11,624
PROVISIONS				
At 1 April 2020 and 31 March 2021	-	-	5,454	5,454
NET BOOK VALUE				
At 31 March 2021	6,170	-	-	6,170
At 31 March 2020	6,170	2,499,511	-	2,505,681

continued...

10. **FIXED ASSET INVESTMENTS - continued**

The group or the company's investments at the Statement of Financial Position date in the share capital of companies include the following:

Subsidiaries

LTC Trustees Limited
Registered office: 66 Lynwood Grove, Orpington, BR6 0BH
Nature of business: Trustee

	%
Class of shares:	holding
Ordinary of £1	100.00

LTC Nominees Limited
Registered office: 15 Kilnfield Cottages, Hollybush Lane, Orpington, BR6 7QW
Nature of business: dormant

	%
Class of shares:	holding
Ordinary of £1	100.00

Group

	Development loans	Other loans	Totals
	£	£	£
At 1 April 2020	189,998	27,001	216,999
Other movement	(189,998)	(27,001)	(216,999)
At 31 March 2021	-	-	-

Company

	Development loans	Other loans	Totals
	£	£	£
At 1 April 2020	189,998	27,001	216,999
Other movement	(189,998)	(27,001)	(216,999)
At 31 March 2021	-	-	-

The directors have assessed the valuation of the company's property related interests by reference to independent valuations of the respective properties where available and the relative risk profile of each development at the company's year-end.

If the development loans had not been revalued they would have been included at their historical cost of £1,698,978 (2020 - £1,698,678).

If the other loans had not been revalued they would have been included at their historical cost of £1,874,679 (2020 - £1,874,679).

HML Holdings Plc

On 11th September 2020 BDB Nominee Limited acquired the shares held for 37.5p per share making a total realisation of £3,537,044.

 continued...

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Trade debtors	2,720	-	2,720	-
Other debtors	37,362	36,338	9,510	8,485
Prepayments and accrued income	4,500	179,311	4,500	179,311
	44,582	215,649	16,730	187,796

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Trade creditors	8,086	6,191	8,085	6,189
Amounts owed to subsidiary undertakings	-	-	528,481	528,481
Social security and other taxes	7,443	7,177	7,443	7,177
Other creditors	461,082	448,375	33,094	20,387
Accruals and deferred income	35,233	17,542	35,233	17,542
	511,844	479,285	612,336	579,776

13. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2021 £	2020 £
4,858,884	Ordinary	50p	2,429,442	2,429,442

14. RESERVES

Group

	Retained earnings £	Share premium £	Capital redemption reserve £
At 1 April 2020	(3,058,321)	2,082,038	1,655,728
Deficit for the year	(763,870)		
At 31 March 2021	(3,822,191)	2,082,038	1,655,728

continued...

14. **RESERVES - continued**

Group

	EST capital reserve £	EST current reserve £	Totals £
At 1 April 2020	(421,224)	28,667	286,888
Deficit for the year			(763,870)
At 31 March 2021	(421,224)	28,667	(476,982)

Company

	Retained earnings £	Share premium £	Capital redemption reserve £
At 1 April 2020	(3,182,473)	2,082,038	1,655,728
Deficit for the year	(763,871)		
At 31 March 2021	(3,946,344)	2,082,038	1,655,728

Company

	EST capital reserve £	EST current reserve £	Totals £
At 1 April 2020	(421,224)	28,667	162,736
Deficit for the year			(763,871)
At 31 March 2021	(421,224)	28,667	(601,135)

15. **CAPITAL COMMITMENTS**

The group may make further investment in residential property developments. Further investment in these projects will be assessed on a project by project basis and are dependent upon various commercial factors as well as the group's own available resources. The amounts involved cannot be quantified at this stage.

continued...

16. **RELATED PARTY DISCLOSURES**

£8,196 (2020 - £94,918) was paid to Eaton Investments Limited, a company controlled by R G Smith, for consultancy services provided by R G Smith. At the year end date the amount outstanding in relation to these services was £656.

£46,060 (2020 - £41,458) was paid to Mona Services Limited, a company controlled by a family member of G J Griggs, for professional services provided during the year.

During the year the company was charged £2,000 (2020 - £5,340) by Old Church Street Accountants Limited, a company controlled by G J Griggs, for professional services rendered. At the year end date the amount outstanding in relation to these services was £nil.

Kersfield Ltd and various subsidiaries, a property development group of which R G Smith continued to be a minority shareholder, such shares being now held to the company's order. The loans were made on normal commercial terms in prior years. The amount due to the company from Kersfield Ltd and various subsidiaries at the balance sheet date was £3,573,657, this amount has been fully provided for. LTC Nominees Limited resigned as a director of Kersfield Limited in October 2020. RG Smith and LTC Nominees Limited have not received any remuneration from Kersfield Limited or its subsidiaries.

During the year the company was charged £Nil (2020 - £58,200 by Battlefield Development Management Limited , a company controlled by T Matthews,

During the year the company was charged £16,020 (2020 - £42,216) by Carlton Accounting and PR limited, a company controlled by G J Griggs, for professional services rendered. At the year end date the amount outstanding in relation to these services was £nil.

During the year the company was charged £1,168 (2020 - £5,763) by Griggs and Charles Accounting Limited, a company controlled by a family member of G J Griggs, for bookkeeping services rendered. At the year end date the amount outstanding in relation to these services was £nil.

£7,561 was paid to Amelia Griggs Limited, a company controlled by a family member of G J Griggs, for professional services provided during the year. At the year end date the amount outstanding in relation to these services was £856.

17. **POST BALANCE SHEET EVENTS**

The group now holds a fixed charge and is the preferential creditor over the remaining assets of Kersfield Developments (Ensleigh South) Limited which is in liquidation. The group has appointed receivers. The process to realise the assets is in progress. The receiver, Begbie Traynor, has indicated the group may receive approximately £900,000 net of fees on successful disposal of the asset which is not recognised in these accounts.

continued...

18. **SHARE INCENTIVE SCHEMES**

Warrants

Warrants have periodically been granted to directors of the company on a discretionary basis. These warrants entitle the holder to subscribe for shares in the company, as follows:

	Warrants	Exercise price £
At 1 April 2020	126,000	86,310
At 31 March 2021 - exercisable at 68.5p up to 31 December 2022	126,000	86,310

Employee share trust

The company acquires shares in the company from time to time through The London's Third City plc Employees' Share Trust ("the Trust"), an employee share trust. Shares acquired by the trust are held for the benefit of employees of the group. The Trust's stock of shares is as follows:

	2021	2020
Ordinary shares of 50p each	No.	No.
Allocated but unvested	-	-
Vested but not transferred to staff	298,045	298,045
Available for future allocations	13,051	13,051
	311,096	311,096

19. **NET ASSETS PER SHARE**

	Net assets £	Net shares	Net assets per share p
2021			
Basic		4,858,884	
Shares held by EST		(311,096)	
Net shares	1,952,460	4,547,788	43
2020			
Basic		4,858,884	
Shares held by EST		(311,096)	
Net shares	2,716,331	4,547,788	60

20. **DIRECTORS' INTERESTS**

G J Griggs was beneficially interested in 1,000 ordinary shares at both 31 March 2021 and 31 March 2020.

R G Smith was beneficially interested in 97,710 (2020- 97,710) ordinary shares and 126,000 (2020 - 126,000) warrants at 31 March 2021. He was also indirectly beneficially interested in 974,540 ordinary shares at 31 March 2021 (2020 - 974,540).