



A DEVELOPMENT
BUSINESS

BUSINESS PLAN 2021 DIRECTION



Business Plan 2021 Direction

This has been an exceptional year for This Land, a period during which the company has been able to excel both financially and in terms of achieving many of its key business objectives. This ensures the company is well on target to deliver much needed housing across Cambridgeshire, including a significant proportion of new affordable homes buttressed by a strong financial performance.

The business plan is focused on:

- Delivering homes for the people of Cambridgeshire, with a policy compliant affordable housing mix.
- Continuing with the basis of the 2020 Business Plan.
- Repaying all liabilities as they fall due including both interest and principal on the existing loans.
- Paying a planning overage on Burwell Phase 1 of £475,000 within 90 days of achieving full planning approval.
- Paying a planning overage on Worts Causeway of £1,500,000 within 90 days of achieving full planning approval.
- Re-investing cash generated through operations into 12 strategic land deals both inside and outside Cambridgeshire.
- Concluding the overarching consolidation of the individual loan agreements.
- Purchasing three large sites from our Shareholder, subject to their approval, funded from operations.
- Continuing with the disposal process of selling underperforming and sub-optimal sites.
- Purchasing land to generate additional income.

In what has been a strong financial year, preliminary accounts show a Profit before Interest and Tax of £710,000. This follows a period of major investment where we have:

- Paid £8m in interest payments to our shareholder.
- Secured new land for development.
- Invested in significant numbers of new planning applications across the region.
- Met the costs of development work on new sites.

This has resulted in the company being in a strong cash position with £18m of funds available to take the company forward over the next 12 months. This is especially encouraging as the new management has also had to meet the challenge of large losses dating back to the period 2017 to December 2019.

How has profit been achieved?

Following the appointment of James Heuerman-Williamson as CFO and David Lewis as Acting CEO, a radical overhaul of the organisation has been undertaken which has seen significant improvements to working practices.

In the early months after the appointment of the Non-Executive Directors, the Board determined that it was the fundamental objective of the Company to be able on expiry to repay capital advanced to it by our shareholder and meanwhile to pay interest on those advances in a timely fashion. This required the Company to develop a long-term plan. That plan was completed during the previous financial year and is updated regularly to ensure that the Company is on track to deliver those fundamental objectives. I am happy to report that the Board is confident that the Company is healthily on track to do just that.

These losses were incurred as a result of the impairment of the value of land, however, it should be noted that these impairments are non-cash items, and we remain confident that our long-term plan will be unaffected.

These historical losses can be classified as follows:

- £16.5 million incurred from Jan 2017 to Dec 2019 (3yrs trading), comprising of:
 - Writing down the land bought from CCC
 - Financing costs
 - Administration and set-up costs

The administrative costs are over a 3-year period and are proportionate for a company of this size and maturity.

In pursuit of this objective the Board took the commercial decision to dispose of a number of underperforming or non-core assets in accordance with our business plan. These disposals were made against the background of a firm housing market, largely unaffected by the Covid pandemic thus allowing the Company to maximise returns and to return funds to our shareholder more quickly than anticipated.

These assets were in Willingham, Litlington, Cottenham, Shepreth and Russell Street, Cambridge.

We have further agreed terms for the disposal of additional sites in the next 12 months at Trap Road, Wicken, Milton Road, Norwood Road, Queens Street and Hereward Hall.

Progress

During the last 15 months, planning applications have been submitted at Station Road, March, Hartford, Landbeach, Soham, Brampton, Worts Causeway, Wicken, Ditton Walk, Fitzwilliam Road, Norwood Road, Hereward Hall, Queens Street, Malta Road and Over.

This represents a significant amount of work in progressing these sites for development.

The vast majority of these sites have now either secured a consent or are awaiting determination.

We have also started on site at a number of schemes including phase 1 of Ditton Walk, which is nearing final fit out stage on most units. The majority of homes are either reserved or exchanged.

Archaeological work has started in Burwell in anticipation of the start of construction work in the coming months and site mobilisation has commenced in Over, in preparation for a start on site.

Construction is scheduled to start at Fitzwilliam Road, Brampton, Worts Causeway, Ditton Walk (phase 2) and Malta Road within the next year.

The number of planning applications and the start of construction on numerous projects clearly demonstrates the progress that This Land has made over the past year.

Master Developer sites

Our portfolio includes three large sites at Worts Causeway, Burwell and Soham. The plan is to provide infrastructure to open up these sites and then sell on in serviced parcels. We will develop the later phases of these sites ourselves.

Good progress has been made across all three sites with the first phase disposals expected to be completed over the current financial year.

Delivering Affordable Housing

Of the portfolio of land originally purchased from our shareholder, Cambridgeshire County Council, 36% of the properties will be delivered as affordable housing either through social renting or shared ownership, which is well in excess of the local planning policy. Our former sites at Litlington, Willingham and March are providing a total of 137 new affordable homes.

Longer term, This Land will support the delivery of several hundred affordable homes, either by ourselves or through third party developers. A key part of our strategy is to provide housing choice for all. We will also look to deliver additional affordable homes through other means including the government's new First Homes initiative.

Delivering sustainability and protecting the environment

This Land is committed to delivering sustainability and has set up a new Task Group within the business to ensure that the company continues to minimise its impact on the Cambridgeshire environment.

Our homes already achieve the highest levels of sustainability in terms of energy savings, and we strive to ensure that we deliver excellence at all times by protecting local habitats, minimising climate change, and reducing our carbon footprint by building a local supply chain, ensuring resilient design and careful selection of materials.

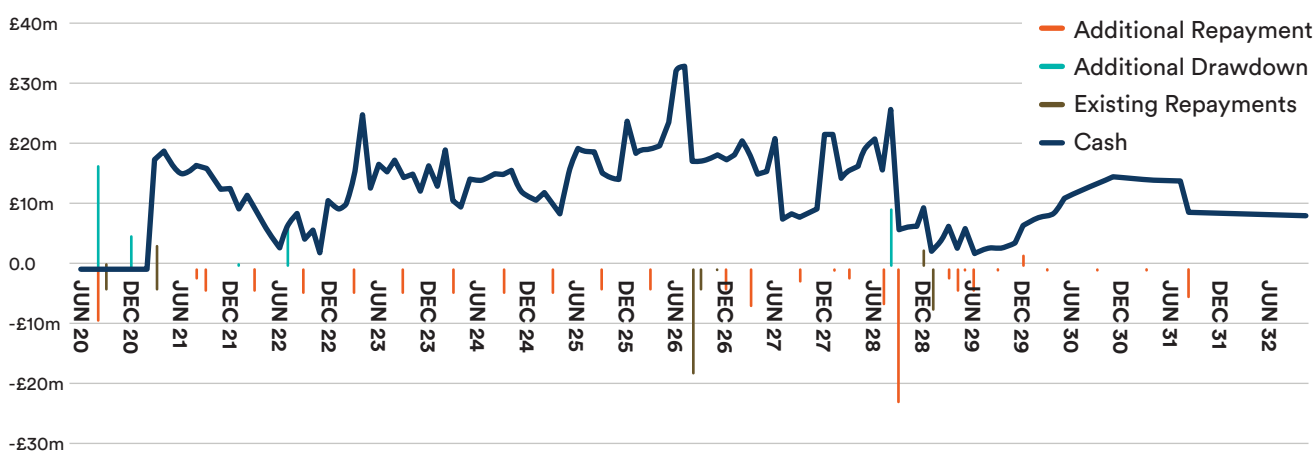
We intend to reduce our shareholder's risk by minimising the amount of additional financial support required from CCC and maintaining a positive cash position.

This business plan will create a sustainable long-term business that can deliver significant shareholder returns through debt and interest repayment and dividend distributions.

The following table represents the predicted returns to CCC over the next 9 years.

Returns to CCC			
Cash Flows (£)	Future	Actual to Date	Total CCC Cashflows
CCC current Loans		115,891,000	
Overages	1,975,000	0	1,975,000
CCC Loan Repayments	88,012,000	11,300,000	99,312,000
CCC Loan Interest Payments	37,994,388	17,064,741	55,059,129
Further Loan Drawdowns	{19,450,000}	0	{19,450,000}
Further Loan Repayments	47,329,000	0	47,329,000
Further Loan Interest Payments	16,279,221	0	16,279,221
Total Returns to CCC	172,139,609	28,364,741	200,504,349

Indicative Cash Position





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