Rectory Homes Limited

Annual Report and Financial Statements

Year Ended

31 May 2021

Company Number 02575047

Rectory Homes Limited

Company Information

Directors	S P Vickers S Vickers D Ullathorne N A Lee-Robinson S Harris P A Wills
Company secretary	J C Blake
Registered number	02575047
Registered office	Rectory House Thame Road Haddenham Aylesbury Buckinghamshire HP17 8DA
Independent auditor	BDO LLP 55 Baker Street London W1U 7EU

Rectory Homes Limited

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Rectory Homes Limited

Group Strategic Report
For the Year Ended 31 May 2021

The directors present their strategic report together with the audited financial statements for the year ended 31 May 2021.

Rectory Homes "Rectory" has been building high quality new homes for over 25 years, establishing a reputation for selecting the very best sites throughout the Western Home Counties and building homes of outstanding quality and superior specification.

Rectory does not aspire to be a volume house builder but instead focuses on select developments, taking pride in the quality of the homes we build and our standards of customer service. Each development is unique, planned and designed according to the specific site, using bespoke house designs which both compliment and enhance each location and suit the needs and desires or our prospective home buyers.

At the heart of everything we do is the creation of beautiful homes tailored to their surroundings in great locations which keep our customers as the central focus.

Development and performance of the business

The 2020/21 results show a significant improvement in Rectory's financial performance, with 73 (2019/20 - 61) new homes sold across a number of development sites.

Sales included those from our joint venture ("JV") with HGP in Aston Clinton. This site contributed 13 sales in the year. In the audited financial statements the contribution from the JV is represented as a single line "income from joint venture" in accordance with UK GAAP (which is Rectory's contribution from this development after providing for taxation). However, if these sales had been accounted for in line with our normal recognition policies this would have added £6.4m to turnover and in addition to the £1.2m share of JV profit a further £0.4m to profit before tax, resulting in a profit before tax for the year of £3.1m.

The impact of this is set out in the table below, comparing this years' performance to last year.

	2020/21			2019/20		
	UK GAAP £000	JV allocation £000	Total £000	UK GAAP £000	JV allocation £000	Total £000
Turnover	**32,803**	**6,372**	**38,946**	24,154	5,061	29,125
Gross profit	**7,927**	**1,195**	**9,122**	6,065	1,107	7,172
Gross margin %	**24.2%**	**-**	**23.4%**	25.1%	-	24.5%
Development operating profit	**2,807**	**1,195**	**4,370**	1,129	1,107	2,236
Operating margin %	**10.9%**	**-**	**11.2%**	4.7%	-	7.7%
Share of JV profit (including tax)	**778**	**(778)**	**-**	896	(896)	-
Profit before tax	**2,666**	**417**	**3,083**	**796**	**211**	**1,007**

We have therefore reported an operating profit of £2.8m, before accounting for the contribution from the JV of £0.8m (the equivalent of £1.2m if it had been accounted for before taxation).

Land strategy

In 2020/21 the company continued with its strategy of sourcing land through options and conditional contracts. Since the last financial year end, we have gained six planning consents for 168 new homes (2019/20 - 6 consents for 116 new homes). At December 2021, we had five live applications for 83 homes, with applications for a further two sites (40 homes) being prepared for submission.

Rectory's expertise in sourcing and converting options and conditional contracts into development sites capitalises on an in-depth local knowledge and a strong reputation in the market. We continue to strengthen our activity and resources in this part of the business to both augment our current market strength and expand our geographic reach. We believe the current planning framework, with a diminution of direct competitors in our mid-market space, will provide a favourable environment for us to continue to capitalise on the market opportunities we are currently seeing and expect to see for the foreseeable future.

Board and restructuring of the senior management team

Following the review of the management team in FY2019/20 the business has improved its operating margins by 100% in the year and is confident it is on track to deliver a similar improvement in performance for FY2021/22 and will fulfil its strategic goals for 30% growth in turnover and profitability through to FY24/25.

Principal risks and uncertainties

The company has assessed the likely downside impacts of the Coronavirus to its future financial forecast and budgets and is not anticipating it to affect our ability to meet the business objectives. The risks of Coronavirus have been assessed and mitigated within the business where possible.

Supplier and subcontractor pressures are being experienced throughout the house-building sector as activity levels continue to increase. We closely monitor cost pressures so site appraisals can reflect realistic expectations about costs at the outset. This helps us to ensure we continue to deliver above industry average margins.

The Planning environment has continued to be a challenge, and despite stated government policy we continue to experience inconsistent and slow handling of our applications. The risks arising from this are mitigated in a number of ways. We have a dedicated planning team, led by a director, who leads the planning process and ensures regulatory compliance. We also focus our activity in areas where we have developed good working relationships with the planning officials and where demand for our developments remains strong.

Maintaining a timely land supply for developments is a risk faced by all developers. We manage this risk by ensuring we have options over sites that will provide a supply of land large enough to meet our future requirements. Our dedicated land team focus on acquiring options over land that we can guide through the planning process to ensure we can purchase consented land to meet our development schedules. Our pipeline now includes a number of medium-term strategic sites that will ensure larger sites are available for development in the future.

Funding availability and costs of financing have improved and there is a strong relationship with our principal bankers at Allied Irish Bank, who remain supportive. We are also broadening our banking relationships with other established lenders in the market and continue to look at innovative ways to fund our forthcoming developments.

As a responsible house builder we aim to create environmentally sensitive and sustainable developments for the communities in which we operate.

Rectory's reputation is pivotal to our business. To maintain our brand we focus on the quality of our developments both in terms of design and build, incorporating environmental performance, recycling, ecology and employing renewable energy technology. We only use high quality and reliable subcontractors and traditional materials for construction and always use our own experienced staff to manage developments on the ground.

Group Strategic Report (continued)
For the Year Ended 31 May 2021

Rectory's activities are based in the Home Counties, radiating out of our head office in Haddenham. We support a number of local community activities through various sponsorship channels. These include the Heart of Bucks Foundation, Chinnor Rugby Club, Haddenham Library and local school activities.

Financial instruments

Credit risk

The group is not exposed to credit based sales. Credit risk does arise from cash deposits held with financial institutions. The board mitigates this risk by ensuing cash deposits are made with financial institutions with a minimum of an 'A' rating and that deposits are split between at least two financial intuitions. At 31 May 2021 cash deposits totalling £4.6m were made with Allied Irish Bank, Coutts and Handelsbanken.

Liquidity risk

Liquidity risk arises from the group's management of working capital and the finance charges and principal payments on its debt instruments. It is the risk that the group will encounter difficulty in meeting its financial obligations as they fall due.

The board regularly reviews cash flows over both the short term (13 weeks) and medium term (52 weeks and more) to ensure the business has sufficient liquidity for its foreseeable requirements.

This report was approved by the board on 24 FEBRUARY 2022 and signed on its behalf.

S P Vickers
Director

Rectory Homes Limited

Directors' Report
For the Year Ended 31 May 2021

The directors present their report together with the audited financial statements for the year ended 31 May 2021.

Results

The consolidated statement of comprehensive income is set out on page 10 and shows the profit for the year.

Directors

The directors who served during the year were:

S P Vickers
S Vickers
D Ullathorne
N A Lee-Robinson
S Harris
P A Wills (appointed 5 May 2021)
R Davidson (resigned 8 October 2020)

Disclosure of information to auditor

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company and the group's auditor is unaware; and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company and the group's auditor is aware of that information.

Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 24 FEBRUARY 2022 and signed on its behalf.

Director

S P VICKERS

Rectory Homes Limited

Directors' Responsibilities Statement
For the Year Ended 31 May 2021

The directors are responsible for preparing the group strategic report, the directors' report and the consolidated 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 the group and company and of the profit or loss of the group for that period.

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

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

Independent Auditor's Report to the Members of Rectory Homes Limited

Opinion on the financial statements

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

We have audited the financial statements of Rectory Homes Limited (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 May 2021 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Statement of Changes in Equity, the 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).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We 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.

Conclusions relating to going concern

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

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

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

Independent Auditor's Report to the Members of Rectory Homes Limited (continued)

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report and financial statements other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

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

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

In the light of the knowledge and understanding of the Group and Parent Company 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 in relation to which 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 Directors' Responsibilities Statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company. We determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting framework (FRS 102), regulations impacting property and the recoverability of stock. In order to ensure that stock is held at the lower of cost vs net realisable value we have investigated the company's site appraisals and where applicable we have corroborated predicted final revenue and final costs to supporting evidence.

- We considered the programs and controls that the company has established to address risks identified, or that otherwise prevent, deter and detect fraud. Additionally, we have examined the journals posted in the year, and have then investigated a number of journals which fall outside certain criteria and a number of journals at random to ensure that they were correctly posted. There is no evidence from this testing of any management override or that any fraudulent journals have been posted in the year

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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

DocuSigned by:

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Christopher Young (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London
United Kingdom

Date: 25 February 2022

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

Rectory Homes Limited

Consolidated Statement of Comprehensive Income
For the Year Ended 31 May 2021

	Note	2021 £	2020 £
Turnover	4	**32,803,209**	24,153,699
Cost of sales		**(24,876,232)**	(18,088,455)
Gross profit		**7,926,977**	6,065,244
Administrative expenses		**(5,125,360)**	(4,939,006)
Profit on disposal of fixed assets		**5,300**	3,000
Operating profit	5	**2,806,917**	1,129,238
Share of profit of joint venture	12	**778,268**	896,394
Total operating profit		**3,585,185**	2,025,632
Interest receivable and similar income	8	**31,316**	9,301
Interest payable and similar expenses	9	**(950,650)**	(1,238,681)
Profit on ordinary activities before taxation		**2,665,851**	796,252
Taxation (expense)/credit	10	**(632,536)**	13,023
Profit for the financial year and total comprehensive income		**2,033,315**	809,275

There was no other comprehensive income for 2021 (2020 - £Nil).

The notes on pages 17 to 37 form part of these financial statements.

Rectory Homes Limited
Registered number: 02575047

Consolidated Balance Sheet
As at 31 May 2021

	Note	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible assets	11		**2,556,893**		2,584,126
Investments	12		**-**		385,156
			2,556,893		2,969,282
Current assets					
Stocks	13	**42,672,475**		48,211,038	
Debtors: amounts falling due within one year	14	**1,329,610**		2,056,498	
Cash at bank and in hand		**4,580,338**		2,221,872	
		48,582,423		52,489,408	
Creditors: amounts falling due within one year	15	**(30,168,384)**		(37,442,010)	
Net current assets			**18,414,039**		15,047,398
Total assets less current liabilities			**20,970,932**		18,016,680
Creditors: amounts falling due after more than one year	16		**(4,749,518)**		(3,803,348)
Provisions for liabilities					
Deferred taxation	19		**(41,640)**		(66,873)
Net assets			**16,179,774**		14,146,459
Capital and reserves					
Called up share capital	20		**430**		430
Profit and loss account	21		**16,179,344**		14,146,029
Total equity			**16,179,774**		14,146,459

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
24 FEBRUARY 2022

Director MR SIMON P VICKERS

The notes on pages 17 to 37 form part of these financial statements.

Rectory Homes Limited
Registered number: 02575047

Company Balance Sheet
As at 31 May 2021

	Note	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible assets	11		**491,422**		500,674
Investments	12		**105,553**		105,553
			596,975		606,227
Current assets					
Stocks	13	**42,653,794**		48,192,358	
Debtors: amounts falling due within one year	14	**1,281,919**		2,029,179	
Cash at bank and in hand		**4,516,897**		2,202,386	
		48,452,610		52,423,923	
Creditors: amounts falling due within one year	15	**(29,712,637)**		(38,528,064)	
Net current assets			**18,739,973**		13,895,859
Total assets less current liabilities			**19,336,948**		14,502,086
Creditors: amounts falling due after more than one year	16		**(4,749,518)**		(2,097,184)
Provisions for liabilities					
Deferred taxation	19		**-**		(14,152)
Net assets			**14,587,430**		12,390,750
Capital and reserves					
Called up share capital	20		**430**		430
Profit and loss account	21		**14,587,000**		12,390,320
Total equity			**14,587,430**		12,390,750

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The total profit after tax and comprehensive income of the parent company for the year was £2,196,680 (2020 - £497,795).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 24 FEBRUARY 2022

Director MR SIMON P VICKERS

The notes on pages 17 to 37 form part of these financial statements.

Rectory Homes Limited

Consolidated Statement of Changes in Equity
For the Year Ended 31 May 2021

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 June 2020	430	14,146,029	14,146,459
Comprehensive income for the year			
Profit for the year	-	2,033,315	2,033,315
Total comprehensive income for the year	-	2,033,315	2,033,315
At 31 May 2021	430	16,179,344	16,179,774

Consolidated Statement of Changes in Equity
For the Year Ended 31 May 2020

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 June 2019	430	13,336,754	13,337,184
Comprehensive income for the year			
Profit for the year	-	809,275	809,275
Total comprehensive income for the year	-	809,275	809,275
At 31 May 2020	430	14,146,029	14,146,459

The notes on pages 17 to 37 form part of these financial statements.

Rectory Homes Limited

Company Statement of Changes in Equity
For the Year Ended 31 May 2021

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 June 2020	430	12,390,320	12,390,750
Comprehensive income for the year			
Profit for the year	-	2,196,680	2,196,680
Total comprehensive income for the year	-	2,196,680	2,196,680
At 31 May 2021	430	14,587,000	14,587,430

Company Statement of Changes in Equity
For the Year Ended 31 May 2020

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 June 2019	430	11,892,525	11,892,955
Comprehensive income for the year			
Profit for the year	-	497,795	497,795
Total comprehensive income for the year	-	497,795	497,795
At 31 May 2020	430	12,390,320	12,390,750

The notes on pages 17 to 37 form part of these financial statements.

Rectory Homes Limited

Consolidated Statement of Cash Flows
For the Year Ended 31 May 2021

	2021 £	2020 £
Cash flows from operating activities		
Profit for the financial year	**2,033,315**	809,275
Adjustments for:		
Depreciation of tangible assets	**184,901**	112,308
Net interest payable	**919,333**	1,229,380
Loss on disposal of tangible assets	**-**	(3,000)
Taxation charge	**632,536**	(13,023)
Decrease/(increase) in stocks	**5,538,563**	(4,087,510)
Decrease/(increase) in debtors	**783,605**	(303,205)
Increase/(decrease) in creditors	**338,083**	(711,822)
Share of operating (loss) in joint ventures	**(778,268)**	(896,394)
Interest paid	**(919,715)**	(1,238,681)
Taxation (paid)/received	**(52,637)**	(142,058)
Net cash generated from operating activities	**8,679,716**	(5,244,730)
Cash flows from investing activities		
Purchase of tangible fixed assets	**(157,668)**	(121,401)
Sale of tangible fixed assets	**-**	3,000
Interest received	**382**	9,301
Dividends received	**1,034,777**	1,056,604
Net cash from investing activities	**877,491**	947,504
Cash flows from financing activities		
Capital element of finance lease	**26,871**	-
Bank loans repaid	**(11,145,601)**	(4,836,355)
Proceeds from bank loans	**4,232,629**	6,341,619
Directors' loans (drawn)/repaid	**(312,640)**	(306,587)
Net cash used in financing activities	**(7,198,741)**	1,198,677
Net increase/(decrease) in cash and cash equivalents	**2,358,466**	(3,098,549)

Rectory Homes Limited

Consolidated Statement of Cash Flows (continued)
For the Year Ended 31 May 2021

	2021 £	2020 £
Cash and cash equivalents at beginning of year	**2,221,872**	5,320,421
Cash and cash equivalents at the end of year	**4,580,338**	2,221,872
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	**4,580,338**	2,221,872
	4,580,338	2,221,872

The notes on pages 17 to 37 form part of these financial statements.

1. General information

Rectory Homes Limited is a private company limited by shares and incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the company information page and the nature of the company's operations and its principal activity are set out in the strategic report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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 (see note 3).

The presentational and functional currency of these financial statements is GBP. Values are rounded to the nearest pound.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the company and its own subsidiaries ("the group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

Associates and joint ventures

An entity is treated as an associated undertaking where the group exercises significant influence in that it has the power to participate in the operating and financial policy decisions.

An entity is treated as a joint venture where the group is party to a contractual agreement with one or more parties from outside the group to undertake an economic activity that is subject to joint control.

In the consolidated accounts, interests in associated undertakings and joint ventures are accounted for using the equity method of accounting. Under this method an equity investment is initially recognised at the transaction price (including transaction costs) and is subsequently adjusted to reflect the investor's share of the profit or loss, other comprehensive income and equity of the associate or joint venture. The consolidated statement of comprehensive income includes the group's share of the operating results, interest, pro-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 associated undertakings and joint ventures are shown as the group's share of the identifiable net assets, including any unamortised premium paid on acquisition.

Any premium on acquisition is dealt with in accordance with the goodwill policy.

2. Accounting policies (continued)

2.3 Parent company disclosure exemptions

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 the parent company would be identical;
- No statement of cash flows has been presented for the parent company;
- Disclosures in respect of the parent company's financial instruments have not been presented as equivalent disclosures have been provided in respect of the company as a whole; and
- No disclosures have 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 company as a whole.

2.4 Going concern

The directors have prepared the financial statements on a going concern basis. The group's development programme is financed through a £20m revolving credit facility, which expires in May 2023. Site-specific financing is also utilised where necessary. The directors continually monitor the group's forecasted position and the existing facilities to ensure that the group continues to have sufficient available finance. Accordingly, the directors have concluded that there is no material uncertainty that casts doubt on the group and company's ability to continue as a going concern.

2.5 Turnover

Turnover primarily comprises amounts receivable from the sale of new houses and land legally completed in the year. 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 development units.

The purchase of a part exchange house is regarded as an incentive for the sale of a new house. Accordingly, the subsequent sale of a part exchange house is excluded from turnover and the profit or loss arising is included within cost of sales.

Also included within turnover is rental income from operating leases, which is recognised in profit or loss on a straight-line basis over the lease term.

2.6 Tangible fixed assets

Tangible fixed assets under the cost model 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.

2. Accounting policies (continued)

2.6 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold land and buildings	- 50 years on a straight-line basis
Plant and machinery	- 10 years on a straight-line basis
Fixtures, fittings and computer equipment	- 4, 10, 12 or 25 years on a straight-line basis
Motor vehicles	- 3 years on a straight line basis

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.7 Investment property

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in profit or loss.

2.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.9 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock 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.

2.10 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2. Accounting policies (continued)

2.11 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the group's cash management.

2.12 Financial instruments

The group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the consolidated statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the group would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.13 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2. Accounting policies (continued)

2.14 Operating leases: the group as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

2.15 Leased assets: the group as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to profit or loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.16 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.17 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.18 Pensions

Defined contribution pension plan

The group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. Once the contributions have been paid the group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the group in independently administered funds.

2. Accounting policies (continued)

2.19 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company and the group operate and generate income.

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 they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following judgements:

- Determine whether leases entered into by the company either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.

- Determine whether there are indicators of impairment of the company's tangible assets, including goodwill. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty

- Tangible fixed assets (see note 11)

  Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

- Investments (see note 12)

  The most critical estimates. assumptions and judgements relate to the determination of carrying value of unlisted investments at fair value through profit and loss. In determining this amount, the group applies the overriding concept that fair value is the amount for which an asset can be exchanged between knowledgeable willing parties in an arm's length transaction. The nature, facts and circumstance of the investment drives the valuation methodology.

- Stock and work in progress (see note 13)

  Stock and work in progress is valued at the lower of cost and net realisable value. Net realisable value is based on selling priceless anticipated costs to completion and selling costs.

  Management estimate net realisable value using their own expertise and knowledge of the property markets in which Rectory Homes Limited operates.

4. Turnover

All turnover arose within the United Kingdom.

5. Operating profit

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

	2021 £	2020 £
Operating leases - other assets	**288,112**	115,788
Profit on sale of tangible fixed assets	**(5,305)**	(3,000)
Depreciation		
- of leased assets	**77,433**	52,097
- of owned assets	**107,468**	60,211
Fees payable to the company's auditor for:		
- audit of the company and subsidiary undertakings	**26,500**	26,500
- audit of joint ventures	**3,500**	3,500
- taxation compliance and advisory	**8,640**	8,500
Rent receivable	**(172,366)**	(201,439)
Amounts received in respect of the UK Government COVID-19 Furlough scheme	**(83,754)**	-

6. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 2021 £	Group 2020 £
Wages and salaries	**2,638,131**	2,909,897
Social security costs	**411,789**	375,258
Staff pensions	**143,870**	99,734
	3,193,790	3,384,889

In addition to the above staff costs, redundancy costs of £257,328 (2020: £80,390) have been expensed through admin expenses.

The average monthly number of employees, including the directors, during the year was as follows:

	2021 No.	2020 No.
Total Number of Employees	**51**	56

7. Directors' remuneration

Directors' remuneration consist of:

	2021 £	2020 £
Remuneration (including benefits in kind)	700,073	671,391
Social security costs	61,254	104,828
Company contributions to money purchase pension schemes	43,429	10,512
	804,756	786,731

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2021 Number	2020 Number
Accruing benefits under money purchase scheme	4	4

In respect of the highest paid director:

	2021 £	2020 £
Remuneration	286,790	273,500
Company contributions to money purchase pension schemes	38,177	10,288
	324,967	283,788

8. Interest receivable and similar income

	2021 £	2020 £
Other interest receivable	31,316	9,301

9. Interest payable and similar charges

	2021 £	2020 £
Bank interest payable	950,650	1,186,725
Other interest payable	-	51,956
	950,650	1,238,681

10. Taxation

	2021 £	2020 £
Corporation tax		
Current tax on profits for the year	**385,906**	7,537
Adjustments in respect of previous periods	**257,711**	(1,707)
Total current tax	**643,617**	5,830
Deferred tax		
Fair value on investment property	**-**	(18,853)
Origination and reversal of timing differences	**(21,407)**	-
Adjustments in respect of prior periods	**10,326**	-
Total deferred tax	**(11,081)**	(18,853)
Taxation on profit/(loss) on ordinary activities	**632,536**	(13,023)

10. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2020 - lower than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £	2020 £
Profit on ordinary activities before tax	**2,665,851**	796,252
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	**506,512**	151,288
Effects of:		
Fixed asset differences	**(476)**	-
Expenses not deductible for tax purposes	**25,012**	43,349
Adjustments to tax charge in respect of prior periods	**257,330**	(25,401)
Adjustments to tax charge in respect of prior periods - deferred tax	**10,326**	(25,818)
Income not taxable for tax purposes	**(166,168)**	(200,755)
Other reconciling items	**-**	44,314
Total tax charge for the year	**632,536**	(13,023)

Factors that may affect future tax charges

Increases in the UK Corporation tax rate from 19% to 25% (19% effective from 1 April 2017, and 25% effective from 1 April 2023) have been substantively enacted. This will impact the company's future tax charge accordingly. The value of the deferred tax liability at the statement of financial position date has been calculated using the applicable rate when the liability is expected to be realised.

11. Tangible fixed assets

Group

	Investment property £	Freehold land and buildings £	Plant and machinery £	Fixtures, fittings and computer equipment £	Motor vehicles £	Total £
Cost or valuation						
At 1 June 2020	1,337,227	899,050	256,745	1,155,824	521,197	4,170,043
Additions	-	-	13,815	10,479	133,374	157,668
Disposals	-	-	-	-	(36,031)	(36,031)
At 31 May 2021	1,337,227	899,050	270,560	1,166,303	618,540	4,291,680
Depreciation						
At 1 June 2020	-	152,825	246,190	1,047,575	139,327	1,585,917
Charge for the year	-	17,981	5,655	29,695	131,570	184,901
Disposals	-	-	-	-	(36,031)	(36,031)
At 31 May 2021	-	170,806	251,845	1,077,270	234,866	1,734,787
Net book value						
At 31 May 2021	1,337,227	728,244	18,715	89,033	383,674	2,556,893
At 31 May 2020	1,337,227	746,225	10,555	108,249	381,870	2,584,126

The investment property has been valued by the directors at the year end. The historical cost of the investment property and freehold land and buildings is £1,609,056 (2020 - £1,609,056).

11. Tangible fixed assets (continued)

Company

	Plant and machinery £	Fixtures, fittings and computer equipment £	Motor vehicles £	Total £
Cost				
At 1 June 2020	256,745	671,839	521,197	1,449,781
Additions	13,815	10,479	133,374	157,668
Disposals	-	-	(36,031)	(36,031)
At 31 May 2021	270,560	682,318	618,540	1,571,418
Depreciation				
At 1 June 2020	246,190	563,590	139,327	949,107
Charge for the year	5,655	29,695	131,570	166,920
Disposals	-	-	(36,031)	(36,031)
At 31 May 2021	251,845	593,285	234,866	1,079,996
Net book value				
At 31 May 2021	18,715	89,033	383,674	491,422
At 31 May 2020	10,555	108,249	381,870	500,674

Leased assets

Included within the net book value of tangible fixed assets is £321,600 (2020 - £399,033) in respect of assets held under finance leases and similar hire purchase contracts. Depreciation for the year on these assets was £77,433 (2020 - £60,211).

12. Fixed asset investments

Group

Rectory Homes Limited holds 76.5% of Rectory Aston Clinton.

	Investment in joint ventures £
Share of retained profits	
At 1 June 2020	385,156
Share of JV profit	778,268
Distributions received	(1,163,424)
At 31 May 2021	-
Net book value	
At 31 May 2021	-
At 31 May 2020	385,156

Company

Shares in group undertakings and participating interests:

	Subsidiary undertakings £
Cost	
At 1 June 2020	105,553
At 31 May 2021	105,553
Net book value	
At 31 May 2021	105,553
At 31 May 2020	105,553

12. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Principal activity	Class of shares	Holding
Cardinal Homes Limited	Property investment	Ordinary	100%
Rectory Homes (South) Limited	Property development	Ordinary	100%
Rectory Homes Bonds plc	Finance provision	Ordinary	100%
Rectory Living Limited	Dormant	Ordinary	100%
Rectory Bishopstone Limited	Dormant	Ordinary	100%
Rectory Commercial Limited	Dormant	Ordinary	100%
Roebuck Park Management Company Ltd	Dormant	Ordinary	100%
Rectory Park Management Company (Tring) Ltd	Dormant	Ordinary	100%
Fitzgerald Park (Binfield) Management Company Limited	Dormant	Ordinary	100%
Mortimer Fields Management Company Ltd	Dormant	Ordinary	100%
The Chilterns Haddenham Management Company Ltd	Dormant	Ordinary	100%
Fairwood Developments Ltd	Dormant	Ordinary	100%
Fairwood Planning Consultancy Ltd	Dormant	Ordinary	100%
Darnell Place (Woodcote) Management Company Ltd	Dormant	Ordinary	100%
The Meadows (Cuddington) Management Company Ltd	Dormant	Ordinary	100%
Oving Road (Whitchurch) Management Company Ltd	Dormant	Ordinary	100%
Wickham Field (Wingrave) Management Company Ltd	Dormant	Ordinary	100%
Longwick (The Pastures) Management Company Ltd	Dormant	Ordinary	100%
Rectory Long Hanborough Management Company Ltd	Dormant	Ordinary	100%
Cavendish Place (Hill Top Road) Management Company Ltd	Dormant	Ordinary	100%
Rousham Place (Steeple Aston) Management Company Ltd	Dormant	Ordinary	100%
Shrimpton Close (Long Crendon) Management Company Ltd	Dormant	Ordinary	100%
Six Acres Warborough Management Company Ltd	Dormant	Ordinary	100%
Meadowside (Bishopstone) Management Company Ltd	Dormant	Ordinary	100%

Joint venture

The following was a joint venture of the company:

Name	Principal activity	Class of shares	Holding
Rectory (Aston Clinton) Ltd	Property development	Ordinary	76.5%

13. Stocks

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Raw materials and consumables	-	50,814	-	50,814
Work in progress (goods to be sold)	**42,672,475**	48,160,224	**42,653,794**	48,141,544
	42,672,475	48,211,038	**42,653,794**	48,192,358

In the group and company during the year to 31 May 2021 £25,003,287 was expensed from stocks to cost of sales (2020 - £17,926,626).

Stock is stated net of provisions charged for the year £734,744 (2020 - £556,216).

14. Debtors: amounts falling due within one year

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Trade debtors	**177,990**	160,950	**140,490**	123,450
Amounts owed by group undertakings	-	-	**18,974**	18,973
Other debtors	**191,948**	490,340	**191,948**	490,341
Directors' loan account	**559,883**	247,243	**559,883**	247,243
Prepayments and accrued income	**359,543**	322,659	**359,543**	322,659
Amounts owed by joint venture	**40,246**	472,898	-	472,898
Corporation tax	-	362,408	-	353,615
Deferred taxation	-	-	**11,081**	-
	1,329,610	2,056,498	**1,281,919**	2,029,179

15. Creditors: amounts falling due within one year

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Trade creditors	**2,116,917**	4,043,600	**2,116,917**	4,017,656
Bank loans and overdrafts (secured)	**15,182,611**	22,125,513	**13,522,211**	22,125,513
Obligations under finance lease and hire purchase contracts	**406,366**	379,495	**406,366**	379,495
Other taxation and social security	**107,421**	380,997	**107,421**	380,997
Corporation tax	**220,562**	-	**177,815**	-
Other creditors	**9,867,556**	9,777,486	**9,860,556**	9,744,686
Accruals and deferred income	**2,266,951**	734,919	**2,266,601**	733,279
Amounts owed to group undertakings	**-**	-	**1,166,349**	1,146,438
Amounts owed to joint ventures	**-**	-	**88,401**	-
	30,168,384	37,442,010	**29,712,637**	38,528,064

16. Creditors: amounts falling due after more than one year

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Bank and other loans	**3,833,277**	3,803,348	**3,833,277**	2,097,184
Trade creditors	**916,241**	-	**916,241**	-

The bank loans and overdrafts are secured by a fixed and floating charge over the assets of the company and specific charges on the properties held in stock and fixed assets.

During the year, the company entered into a two new loans to assist the purchase of two sites. The first is for a facility of £10.0m, incurs a margin of 6.25% and is repayable in October 2021. The second is for a facility of £3.05, incurs a margin of 6.25% and is repayable in April 2021.

Bank and other loans are shown net of unamortised arrangement fees of £163,000 (2020 - £373,754).

After the year end, Cardinal Homes loan with RBS has been renewed at 2.5% above base fixed until 10 December 2036.

17. Loans

The maturity of sources of debt finance are as follows:

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Amounts falling due within one year				
Bank and other loans	**15,182,611**	22,125,513	**13,522,211**	22,125,513
Finance leases	**406,366**	379,495	**406,366**	379,495
	15,588,977	22,505,008	**13,928,577**	22,505,008
Amounts falling due 1-2 years				
Bank and other loans	**2,733,277**	2,803,348	**2,733,277**	1,097,184
Amounts falling due 2-5 years				
Bank and other loans	**1,100,000**	1,000,000	**1,100,000**	1,000,000
	19,422,254	26,308,356	**17,761,854**	24,602,192

18. Financial instruments

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

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Financial assets				
Financial assets measured at amortised cost	**5,550,405**	3,915,962	**5,409,218**	3,858,976
Financial liabilities				
Financial liabilities measured at amortised cost	**(34,183,553)**	(40,864,361)	**(32,515,803)**	(39,097,813)

Financial assets measured at amortised cost comprise cash, trade debtors, other debtors, amounts due from joint ventures and directors' current accounts.

Financial liabilities measured at amortised cost comprise bonds issued, bank loans and overdrafts, trade creditors, other creditors and accruals.

Information regarding the group's exposure to and management of credit risk, liquidity risk, market risk, cash flow interest rate risk, and foreign exchange risk is included in the directors' report.

19. Deferred taxation

Group

	2021
	£
At beginning of year	66,873
Charged to profit or loss	(25,233)
At end of year	**41,640**

The provision for deferred taxation is made up as follows:

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Accelerated capital allowances	**41,640**	66,873	**(11,081)**	14,152

20. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
39,000 ordinary 'A' shares of £0.01 each	**390**	390
4,000 ordinary 'B' shares of £0.01 each	**40**	40
	430	430

'B' shares have a 1:4 dividend right in comparison to 'A' shares. Nominal value and voting rights of 'B' shares rank pari passu with 'A' shares.

21. Reserves

The company's capital and reserves are as follows:

Called up share capital

Called up share capital represents the nominal value of the shares issued.

Profit and loss account

The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

22. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £100,440 (2020 - £101,511). Contributions totalling £Nil (2020 - £Nil) were payable to the fund at the reporting date and are included in creditors.

23. Commitments under operating leases

At 31 May 2021 the group and the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Land and buildings				
Not later than 1 year	**109,181**	109,181	**109,181**	280,948
Later than 1 year and not later than 5 years	**119,054**	109,181	**119,054**	156,711
Later than 5 years	**-**	119,054	**-**	119,054
	228,235	337,416	**228,235**	556,713

Lessor

The group and company leases out the investment properties under non-cancellable operating leases for the following future minimum lease receipts. There are no contingent rents.

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Land and buildings				
Not later than 1 year	**97,848**	129,003	**97,848**	129,003
Later than 1 year and not later than 5 years	**68,007**	78,827	**68,007**	78,827
Later than 5 years	**-**	68,716	**-**	68,716
	165,855	276,546	**165,855**	276,546

24. Related party transactions

The company and group lease two buildings for £109,181 (2020 - £107,500) per annum from Vickers Family Suntrust Scheme. Simon Vickers, the ultimate controlling party, is the only member of the scheme. At the end of the current year and prior year there was no balance due from or to Vickers Family Suntrust Scheme.

At the balance sheet date the amount due to Simon Vickers and Sarah Vickers, directors, was £559,982 (2020 - £247,242). The maximum loan amount in the year was £559,982 (2020 - £247,242) due from the directors.

During the current year, the company provided sponsorship to the Chinnor Rugby Football Club ("Chinnor") of £51,883 (2020 - £266,495). At the balance sheet date the amount due from Chinnor was £111,380 (2020 - £111,380).

At the balance sheet date the loan payable to Nicholas Lee-Robinson, a director, was £1,100,000 (2020 - £1,000,000). Interest paid for this loan during the year amounted to £106,250 (2020 - £100,000).

Key management personnel are considered to be directors only. Total remuneration in respect of these individuals is disclosed in note 7.

25. Controlling party

The company is controlled by Simon Vickers who is the majority shareholder.