

Company Registration No. 00731250 (England and Wales)

RUNWOOD HOMES LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 SEPTEMBER 2021



RUNWOOD HOMES LIMITED

COMPANY INFORMATION

Directors	K Clark G G Sanders T Sanders W Sharp S J Sanders J Purwaha
Secretary	W Sharp
Company number	00731250
Registered office	Runwood House 107 London Road Hadleigh Essex SS7 2QL
Auditor	Crowe U.K. LLP 55 Ludgate Hill London EC4M 7JW

RUNWOOD HOMES LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2021

The directors present the strategic report for the year ended 30 September 2021.

Principal activity

The Group's principal activity continued to be the provision of nursing and residential care services across 72 care homes within the United Kingdom.

The Group continues to maintain an internal team that provides construction and maintenance services to ensure that the properties are both constructed and sustained to the highest standard for residents.

The Group also holds a small number of investment properties.

Review of Business

The Group is proud of its many achievements within the local communities and has been duly recognised at care and nursing awards throughout the year.

The Group values the contribution and commitment of all staff in providing excellent care services around the Group. A year that continued to see the impact of COVID-19, the unwavering leadership at home level to support residents was evident again from our incredible workforce.

The Group was able to further consolidate relationships and partnerships with local authorities following the continued distribution of Infection Control and Workforce Capacity support funding across our services to combat COVID-19. This funding was deployed in the key areas to mitigate the risk of the virus spreading within our services but also to play a part in support workforce retention and reward.

Periodic steering group updates and close monitoring of each service ensured the key messages were being sent throughout the business as the services needed to dynamically react to changing guidance. The Group had previously made strong independent moves on ensuring that sufficient levels of PPE were secured and appropriately deployed for the continued protection of staff and residents alike.

The Group remains energetic at an operational level to ensure the requirements of both the Care Quality Commission and the Regulation and Quality Improvement Authority are continued to be observed. The Group does not take the actions issued by the authorities lightly with the directors continuing to strive to address the concerns raised and ensure lessons and learned across the Group. This is demonstrated as services that had previously been impacted by suspensions are now on the road to full recovery.

The Group continues to grow revenues from the private, self-funder market. The growth in this area is recovering following the impact of COVID-19 and the Group has invested in strengthening the sales and marketing teams to promote this area. The Group retains strong links with local authorities to ensure the care needs of the local community are met.

During the year, the 12 services in Northern Ireland were moved from Runwood Homes Limited to Kathryn Homes Ltd (a 100% subsidiary company). This was to separate the service provision in Northern Ireland and allow the homes to rebrand under Kathryn Homes Ltd with its own devolved governance structure to monitor and maintain standards locally. A non-executive board was established and this holds the management team to account on planning issues as they arise.

The use of Agency within the Group, as well as the wider industry, continues to be prevalent. A great deal of work has been focused around reducing the use of Agency workers to promote good practice in maintain a high level of Group staff and provide continuity of care to residents. There remains an ongoing challenge in nurse recruitment which naturally leads to a drive towards increased agency usage to cover. The Group will continue to look for new innovative ways to attract and retain quality staff in the belief that a higher ratio of employed staff versus agency staff provides better outcomes for residents.

RUNWOOD HOMES LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

During the year, the Group consistently recognised the importance of providing specialist training and support to its staff where necessary. The Group's specialist Dementia team provides support within the Group's homes to the benefit of the homes' residents. This wellbeing support extended to dealing with the strain placed upon everyone affected by COVID-19 with the continuation of this support now we are in a period of 'Living with COVID' being vital to ensure the mental health of all residents and staff.

Key Performance Indicators

The Group uses several Key Performance Indicators to review performance and assess progress against each of its strategic objectives.

The turnover of the group grew in the year by 4.2% to £153,560,187 (2020: £147,348,811).

The profit for the year before impairment was £23,318,507 (2020: £19,888,011).

The net assets of the group at 30 September 2021 were £231,921,750 (2020: £218,656,839).

The total bank loans and overdraft of the Group at 30 September 2021 was £131,446,836 (2020: £137,110,112).

The Group is passionate about providing the highest possible care for clients and has invested £7,158,295 (2020: £5,190,968) in providing new and upgraded homes during the year.

The local authority annual fee increases have historically not gone far enough to negate the cost increases experienced by the Group in the form of continued increases in National Living Wage rates and workplace pension contribution requirements which have outstripped cost inflation. The current year has seen continued support received from central government in the form of Infection Control Funding to assist with combatting the operational and financial impact of the pandemic. This funding ceased as of 31st March 2022 which means the Group will need to acutely monitor both financial and operational indicators in line with performance against budget to ensure any adverse trends are identified on a timely basis.

Going concern

The Directors have reviewed the going concern position of the Group and have concluded that there remains sufficient support available to continue in operational existence for the foreseeable future. There continues to be an appetite to invest capital into the Group where required and the Group is proud of the strong relationship it has built with its banking partners.

A full review of the implications of COVID-19 has been undertaken and the Board have concluded that the Going Concern assessment remains appropriate. The Group has retained good occupancy levels at a time when resident numbers across the industry have been seen to fall. Benchmarking analysis has consistently put the Group near the top of the list of similar sized providers which is encouraging and provides comfort that the business is well placed to come out of the pandemic on a strong footing.

The Group have prepared detailed projections for a period of five years from 1 October 2021 which are intrinsically linked to the Bank's covenant testing calculations.

RUNWOOD HOMES LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

Principal Risks & Uncertainties

Management are focused on providing quality care within a safe and thoughtfully designed environment. There are certain risks that may put this delivery of high-level care at risk which will negatively impact the trading performance of the Group. These risks are documented below:

Operational Risks – The potential risk for reputational damage to arise through poor outcomes in regulatory visits remains a source of concern for the Group. The Group maintains its own quality assurance review internally to ensure that standards are maintained. Management continue to work closely with local authorities, the Care Quality Commission and the Regulation and Quality Improvement Authority in order to restore standards in areas that may have fallen below expectations. Where homes miss these expectations, the Group works quickly and in an effective manner to liaise with local stakeholders to return the home to the required standard as soon as possible to the benefit of the local community.

Interest Rate Risks – The Group ceased with the hedging instrument that was in place in the previous year. The Board reviewed the position of the market and concluded that at the time the risks were sufficiently low to not engage with a long-term instrument. However, the Board will continue to closely monitor its exposure to interest rate risk in partnership with its banking providers. The Board will seek the necessary advice on the long-term swap instrument options available as and when the market is perceived to significantly change.

Credit Risks – The Group ensures that balances owed to the Group are adequately covered which includes placing relevant charges against assets where possible to secure debts falling due.

Liquidity Risks – The Group maintains sufficient headroom through its available overdraft facilities to ensure there is an adequate buffer of working capital available in order to mitigate any temporary cash flow problems that may arise.

Future Developments

The Group has always strived to provide high quality care services within high quality accommodation. The Group plans to remain at the forefront of the design and construction of residential care homes to complement the quality of care being provided within these homes.

The building and refurbishment plans will continue with the help of the Group's banking partners with expansion into the use of the Group's working capital where possible.

The Group will continue to pursue a strategy of strongly promoting its own achievements and ensure the excellent facilities on offer to both prospective and existing residents are widely celebrated both internally and externally. This work will facilitate the growth of the Group's brand by utilising traditional marketing methods but also building on its strong digital framework already created through the Group's use of social media platforms.

Section 172 statement

This section serves as our section 172 statement and should be read in conjunction with the Strategic report. Section 172 of the Companies Act 2006 requires Directors to take into consideration the interests of stakeholders in their decision making to further promote the success of the business under the following areas:

(a) The likely consequences of any decision in the long-term

The group consistently reviews its long-term plans in conjunction with the financial covenants in place. Decisions on property development and investments in new homes are critically reviewed to ensure the long-term viability of the service being introduced along with the impact on sustainability across the wider business.

(b) The interests of the Group's employees

Employee wellbeing is a crucial part of what we do. Without the enduring care and support offered by employees to residents the Group would fail on many levels. Regular surveys and questionnaires completed alongside targeted wellbeing workshop sessions ensure the Directors are meeting their responsibility towards employee welfare.

RUNWOOD HOMES LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

(c) The need to foster the company's business relationships with residents, suppliers and others
The Group is heavily focused on the needs of our residents to ensure both regulatory compliance and to ensure that residents have a thoroughly positive experience and most importantly feel at home.

The Board has oversight of the procurement and contract management processes in place and receives regular updates on any matters of significance, as well as approving the awarding of large contracts.

(d) The impact of the company's operations on the community and environment
The Group aims to have a significant impact in the communities where each service operates. This interaction aids the resident experience and also acts as an important employer in many areas. The onset of carbon reporting has focused the Board to act on the advice given. This comes through the delivery of new efficient services and buildings along with regular repair and maintenance of ageing equipment.

(e) The desirability of the Group maintaining a reputation for high standard of business conduct
The Group has a set of robust policies that the Board measure performance against to ensure that high standards are always maintained. Failure to follow the business' own policies would significantly increase the reputational risk which would be devastating for the future of the business. The importance place on mitigating reputational risk means the impact of this is always considered by the directors when making decisions.

(f) The need to act fairly as between members of the company
The Group is solely owned so all views are fairly represented in key decision-making processes

On behalf of the board



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G G Sanders
Director

Date: 14/06/2022

RUNWOOD HOMES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2021

The directors present their annual report and financial statements for the year ended 30 September 2021.

Principal activities

The principal activities of the company and group are disclosed in the strategic report.

Results and dividends

The results for the year are set out on page 13.

Ordinary dividends were paid amounting to £4,175,000 (2020: £3,000,000). The directors do not recommend payment of a further dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

K Clark	
J Fitzgerald	(Appointed 26 March 2021 and resigned 21 December 2021)
G J O'Hare-Connolly	(Resigned 13 April 2022)
G G Sanders	
T Sanders	
W Sharp	(Appointed 24 February 2021)
C Hardill	(Resigned 31 March 2021)
S J Sanders	
J Purwaha	(Appointed 9 February 2022)

Disabled person

The group's policy is to give fair consideration to applicants for employment made by disabled persons, having regards for their aptitudes and abilities. Employees who become disabled are retained in existing posts where possible.

Procedures relating to training, career development and promotion are adapted to ensure that employment policies outlined above are fully available for equally for disabled and non-disabled employees.

Employee involvement

The Board of Directors are fully engaged with the activities of the Group and ensure close working relationships exist between the Board and Senior Managers and Regional Directors. These relationships ensure that the overall strategy and values of the Group are fully adopted with employees expected to undertake the delivery of their day-to-day activities with these core values at the forefront.

There is a commitment from the Board to encourage employees to progress through the business with dedicated training for Carers looking to take on additional responsibilities for those wishing to progress to managerial posts.

The Group maintains communication with the wider staff group through email updates and direct lines between Regional Directors and the homes within their portfolios.

Regular staff surveys are distributed through digital means to keep abreast of employee opinions and ensures employees feel fully engaged and involved with the development of their local service. Local staff representatives and groups have been set up to formally engage with the wider staff groups with findings reported back to.

RUNWOOD HOMES LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

Group has regard to the interest of employees when taking important decisions, particularly when considering employee wellbeing. Full consultations take place with staff group representatives prior to decisions being taken to ensure all aspects are considered along with any raised concerns. Additional training opportunities are introduced where a skills gap is identified, and career path development schemes have been introduced to give staff the opportunity to move up through the business.

The Group depends on the skills and commitments of its employees to do well. Selection and development procedures are designed to ensure equal opportunities exist for all applicants and employees regardless of gender, marital status, race, age or disability, decisions being based on an individual's aptitude and ability. Employees are kept well informed and encouraged to discuss matters of concern.

Business relationship

The Group recognises the importance of fostering the needs of our residents and delivering a quality service. This will satisfy the regulatory needs and the reputational needs to ensure residents continue to choose to stay in our services. The principal decisions made throughout the year have the needs of our residents at the forefront whether this be through enhancing the level of staffing in a home through to wellbeing activities and fee levels. We need to ensure that everyone connected with the business understands the needs of our residents as meeting these needs with drive continues growth of the business.

The Group has built up a long-standing number of suppliers who we rely on to deliver important goods and services to our homes. This goodwill and length of relationship ensures that we can react quickly to the changing needs of our service and to the wider industry. This safeguards the supply of vital goods and services to the homes. To maintain this good working relationship the Group adheres to agreed terms of trading with its suppliers to ensure all agreed liabilities are settled when due.

Auditor

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

Energy and carbon reporting

SECR (Streamlined Energy and Carbon Reporting) is a new government reporting programme that came into force on 1 April 2019. It replaced the CRC Energy Efficiency Scheme, which closed at the end of the 2018-2019 compliance year.

Under changes introduced by the 2018 Regulations, large unquoted companies are obliged to report their UK energy use and associated greenhouse gas emissions as a minimum relating to gas, electricity and transport fuel, as well as an intensity ratio and information relating to energy efficiency action, through their annual reports.

Quantification and reporting methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines and GHG Reporting Protocol - Corporate Standard. We have also used the 2021 UK Government's Conversion Factors for Company Reporting. We have used an operational approach to define our boundary and scopes.

The primary source for energy consumption is invoices and supplier interval data. Where invoices are not in line with the financial year, a pro rata calculation has been used to estimate the usage for the reporting period.

The electricity and gas data has been recorded over a 12-month period from October 2020 to September 2021. The data was collated directly from monthly invoices generated by suppliers. The reporting spreadsheet provides a breakdown off monthly and annual consumption for each meter in kWh.

Company transport data was generated over the course of the mentioned supply period and provided in miles driven. An assumption was made regarding the split of diesel/ petrol/ electric/hybrid usage for total mileage as indicated within evidence pack.

RUNWOOD HOMES LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

The SECR report covered:

Scope 1 – All Direct Emissions from the activities of Runwood Homes Ltd or under their control. Including fuel combustion on site such as gas boilers, fleet vehicles and air-conditioning leaks.

Scope 2 – Indirect Emissions from electricity purchased and used by Runwood Homes Ltd. Also included are the generation or consumption of heat or steam. Emissions are created during the production of the energy and eventually used by Runwood Homes Ltd.

Scope 3 – Private vehicles used for business use.

Results

Energy consumption figures used to calculate emissions:

Electricity	– 14,629,981 kWh	(2020: 13,843,326 kWh)
Gas	– 28,779,255 kWh	(2020: 22,804,317 kWh)
Transport	– 3,847,378 kWh	(2020: 894,009 kWh)

Between 01/10/2020 – 30/09/2021, Runwood Homes Ltd emitted **9,560.87** tonnes of CO₂e (2020: 7,639.67 tonnes).

Current Year (Sep'21)	Scope 1	Scope 2	Scope 3	Total
Tonnes of CO ₂ e	6,045.79	3,106.38	408.70	9,560.87
Percentage	63.23%	32.50%	4.27%	100%

Prior Year (Sep'20)	Scope 1	Scope 2	Scope 3	Total
Tonnes of CO ₂ e	4,197.74	3,227.43	214.50	7,639.67
Percentage	54.95%	42.25%	2.81%	100%

The intensity measure variable that Runwood Homes Ltd is using for SECR is Turnover (£millions).

The findings conclude that between 01/10/2020 – 30/09/2021, Runwood Homes Ltd emitted 62 tonnes of CO₂e per £1,000,000 of turnover (2020: 52).

To improve our energy efficiency, we have been using recycled ink toners, lowered our EVA on energy spend and we are in the process of building more energy efficient homes.

In 2021 there was an initial quantification of all emissions to be put in place while monitoring procedures to see where neutralization methods could be implemented. In 2022 we will see the first phase of carbon neutralization and the setting of future reduction targets.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Strategic report


The group has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the group's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of future developments.

RUNWOOD HOMES LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

On behalf of the board



G G Sanders
Director

Date: 14/06/2022

RUNWOOD HOMES LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2021

The directors are responsible for preparing the Strategic Report and the Directors' Report 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 group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and 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 RUNWOOD HOMES LIMITED

Opinion

We have audited the financial statements of Runwood Homes Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 September 2021 which comprise the consolidated statement of comprehensive income, the consolidated statement of financial position, the company statement of financial position, 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 significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 30 September 2021 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group 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 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 contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 our 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RUNWOOD HOMES LIMITED (CONTINUED)

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 their 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 set out on page 9, 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.

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 within which the company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 and taxation legislation.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals and reviewing accounting estimates for biases.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RUNWOOD HOMES LIMITED (CONTINUED)

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

Use of our report

This report is made solely to the 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 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

PJ Gilligan

Peter Gilligan

Senior Statutory Auditor

For and on behalf of Crowe U.K. LLP, Statutory Auditor

Chartered Accountants

55 Ludgate Hill

London, EC4M 7JW

14 June 2022

RUNWOOD HOMES LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Notes	2021 £	2020 £
Turnover	3	153,560,187	147,348,811
Cost of sales		(97,645,801)	(90,523,605)
Gross profit		55,914,386	56,825,206
Administrative expenses		(35,178,507)	(31,690,183)
Other operating income	3	14,134,956	4,091,880
Operating profit	6	34,870,835	29,226,903
Interest receivable and similar income	8	1,000	5,000
Interest payable and similar expenses	9	(3,529,218)	(3,837,034)
Profit before taxation		31,342,617	25,394,869
Tax on profit	10	(8,024,110)	(5,506,858)
Profit for the financial year		23,318,507	19,888,011
Other comprehensive income net of taxation			
Actuarial gain on defined benefit pension schemes		318,000	139,000
Cash flow hedges gain arising in the year			295,880
Tax relating to other comprehensive income		(6,196,596)	(1,635,684)
Total comprehensive income for the year		17,439,911	18,687,207

Profit for the financial year is all attributable to the owners of the parent company.

Total comprehensive income for the year is all attributable to the owners of the parent company.

RUNWOOD HOMES LIMITED**CONSOLIDATED STATEMENT OF FINANCIAL POSITION****AS AT 30 SEPTEMBER 2021**

	Notes	2021 £	£	2020 £	£
Fixed assets					
Goodwill	12	50,000		60,000	
Tangible assets	13	360,570,790		353,213,200	
		<u>360,620,790</u>		<u>353,273,200</u>	
Current assets					
Debtors falling due after more than one year	16	39,270,956	30,421,300		
Debtors falling due within one year	16	9,498,748	8,481,410		
Cash at bank and in hand		11,488,391	4,613,461		
		<u>60,258,095</u>	<u>43,516,171</u>		
Creditors: amounts falling due within one year	17	<u>(32,468,246)</u>	<u>(20,514,128)</u>		
Net current assets		<u>27,789,849</u>	<u>23,002,043</u>		
Total assets less current liabilities		<u>388,410,639</u>	<u>376,275,243</u>		
Creditors: amounts falling due after more than one year	18	(121,922,130)	(130,760,308)		
Provisions for liabilities	20	(34,938,409)	(26,910,746)		
Net assets excluding pension surplus		<u>231,550,100</u>	<u>218,604,189</u>		
Defined benefit pension surplus	21	<u>371,650</u>	<u>52,650</u>		
Net assets		<u><u>231,921,750</u></u>	<u><u>218,656,839</u></u>		
Capital and reserves					
Called up share capital	22	50,000,000	50,000,000		
Revaluation reserve	23	100,337,197	106,992,137		
Profit and loss reserves	23	81,584,553	61,664,702		
Total equity		<u><u>231,921,750</u></u>	<u><u>218,656,839</u></u>		

The financial statements were approved by the board of directors and authorised for issue on 14/06/2021 and are signed on its behalf by:



G G Sanders
Director

RUNWOOD HOMES LIMITED**COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2021**

	Notes	2021 £	£	2020 £	£
Fixed assets					
Goodwill	12	50,000		60,000	
Tangible assets	13	321,727,780		355,702,201	
Investments	14	60,002		60,002	
		<u>321,837,782</u>		<u>355,822,203</u>	
Current assets					
Debtors falling due after more than one year	16	39,270,956		30,421,300	
Debtors falling due within one year	16	47,459,240		8,481,499	
Cash at bank and in hand		11,048,613		4,589,478	
		<u>97,778,809</u>		<u>43,492,277</u>	
Creditors: amounts falling due within one year	17	<u>(30,028,334)</u>		<u>(20,549,249)</u>	
Net current assets		<u>67,750,475</u>		<u>22,943,028</u>	
Total assets less current liabilities		<u>389,588,257</u>		<u>378,765,231</u>	
Creditors: amounts falling due after more than one year	18	(121,922,130)		(130,760,308)	
Provisions for liabilities	20	(36,921,437)		(26,910,746)	
Net assets excluding pension surplus		<u>230,744,690</u>		<u>221,094,177</u>	
Defined benefit pension surplus	21	371,650		52,650	
Net assets		<u>231,116,340</u>		<u>221,146,827</u>	
Capital and reserves					
Called up share capital	22	50,000,000		50,000,000	
Revaluation reserve	23	87,583,557		94,238,497	
Profit and loss reserves	23	93,532,783		76,908,330	
Total equity		<u>231,116,340</u>		<u>221,146,827</u>	

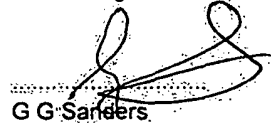
As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes as it prepares group accounts. The company's profit for the year was £20,023,109 (2020 - £19,888,011 profit).

RUNWOOD HOMES LIMITED

COMPANY STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 30 SEPTEMBER 2021

The financial statements were approved by the board of directors and authorised for issue on 14/06/2022 and are signed on its behalf by:



G G Sanders,
Director

RUNWOOD HOMES LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Notes	Share capital £	Revaluation reserve £	Hedging reserve £	Profit and loss reserves £	Total £
Balance at 1 October 2019		50,000,000	109,300,931	(295,880)	43,964,581	202,969,632
Year ended 30 September 2020:						
Profit for the year		-	-	-	19,888,011	19,888,011
Other comprehensive income net of taxation:						
Actuarial gains on defined benefit plans		-	-	-	139,000	139,000
Cash flow hedges gains arising in the year		-	-	295,880	-	295,880
Tax relating to other comprehensive income		-	(1,474,414)	-	(161,270)	(1,635,684)
Total comprehensive income for the year		-	(1,474,414)	295,880	19,865,741	18,687,207
Dividends	11	-	-	-	(3,000,000)	(3,000,000)
Transfers		-	(834,380)	-	834,380	-
Balance at 30 September 2020		50,000,000	106,992,137	-	61,664,702	218,656,839
Year ended 30 September 2021:						
Profit for the year		-	-	-	23,318,507	23,318,507
Other comprehensive income net of taxation:						
Actuarial gains on defined benefit plans		-	-	-	318,000	318,000
Tax relating to other comprehensive income		-	(6,117,096)	-	(79,500)	(6,196,596)
Total comprehensive income for the year		-	(6,117,096)	-	23,557,007	17,439,911
Dividends	11	-	-	-	(4,175,000)	(4,175,000)
Transfers		-	(537,844)	-	537,844	-
Balance at 30 September 2021		50,000,000	100,337,197	-	81,584,553	231,921,750

RUNWOOD HOMES LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Notes	Share capital £	Revaluation reserve £	Hedging reserve £	Profit and loss reserves £	Total £
Balance at 1 October 2019		50,000,000	96,547,291	(295,880)	59,208,209	205,459,620
Year ended 30 September 2020:						
Profit for the year		-	-	-	19,888,011	19,888,011
Other comprehensive income net of taxation:						
Actuarial gains on defined benefit plans		-	-	-	139,000	139,000
Cash flow hedges gains arising in the year		-	-	295,880	-	295,880
Tax relating to other comprehensive income		-	(1,474,414)	-	(161,270)	(1,635,684)
Total comprehensive income for the year		-	(1,474,414)	295,880	19,865,741	18,687,207
Dividends	11	-	-	-	(3,000,000)	(3,000,000)
Transfers		-	(834,380)	-	834,380	-
Balance at 30 September 2020		50,000,000	94,238,497	-	76,908,330	221,146,827
Year ended 30 September 2021:						
Profit for the year		-	-	-	20,023,109	20,023,109
Other comprehensive income net of taxation:						
Actuarial gains on defined benefit plans		-	-	-	318,000	318,000
Tax relating to other comprehensive income		-	(6,117,096)	-	(79,500)	(6,196,596)
Total comprehensive income for the year		-	(6,117,096)	-	20,261,609	14,144,513
Dividends	11	-	-	-	(4,175,000)	(4,175,000)
Transfers		-	(537,844)	-	537,844	-
Balance at 30 September 2021		50,000,000	87,583,557	-	93,532,783	231,116,340

RUNWOOD HOMES LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash generated from operations	24	23,556,357		18,868,404	
Interest paid		(3,529,218)		(3,837,034)	
Income taxes paid		(4,593,167)		(6,275,000)	
Net cash inflow from operating activities		15,433,972		8,756,370	
Investing activities					
Purchase of tangible fixed assets		(12,257,648)		(9,274,636)	
Proceeds on disposal of tangible fixed assets		952,554		34,229	
Interest received		1,000			
Net cash used in investing activities		(11,304,094)		(9,240,407)	
Financing activities					
Proceeds of new bank loans				41,754,711	
Repayment of bank loans		(5,663,276)		(39,376,292)	
Grants received		12,583,328		5,804,087	
Dividends paid to equity shareholders		(4,175,000)		(3,000,000)	
Net cash generated from financing activities		2,745,052		5,182,506	
Net increase in cash and cash equivalents		6,874,930		4,698,469	
Cash and cash equivalents at beginning of year		4,613,461		(85,008)	
Cash and cash equivalents at end of year		11,488,391		4,613,461	

RUNWOOD HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 Accounting policies

Company information

Runwood Homes Limited ("the company") is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is Runwood House, 107 London Road, Hadleigh, Essex, SS7 2QL.

The group consists of Runwood Homes Limited and all of its subsidiaries.

The company's and group's principal activities and nature of its operations are disclosed in the Strategic Report.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 and the requirements of the Companies Act 2006, including the provisions of the large Companies and Groups (Accounts and Reports) Regulations 2008.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

Basis of consolidation

The consolidated financial statements incorporate those of Runwood Homes Limited and all of its subsidiaries (i.e. entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 30 September 2021. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill.

RUNWOOD HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 Accounting policies (Continued)

Going concern

The directors have reviewed the going concern position of the group and have concluded that there remains sufficient support available to continue in operational existence for the foreseeable future. There continues to be an appetite to invest capital into the group where required and the group is proud of the strong relationship it has built with banking partners.

A full review of the implications of COVID-19 has been undertaken and the board have concluded that the going concern assessment remains appropriate. The Group has retained good occupancy levels at a time when resident numbers across the industry have been seen to fall. Benchmarking analysis has consistently put the group near the top of the list to similar sized providers which is encouraging and provides comfort that the business is well placed to come out of the pandemic on a strong footing.

The group have prepared detailed projections for a period of five years from 1 October 2021. These are linked to the bank's covenant requirement to ensure full compliance anticipated throughout this five year period.

Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	Not depreciated
Long-term leasehold property	Over the life of the lease
Fixtures and fittings	5 years straight line basis
Computer equipment	3 years straight line basis
Motor vehicles	25% reducing balance
Short-term leasehold property	Over the life of the lease

RUNWOOD HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 Accounting policies (Continued)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

Freehold buildings are depreciated over their estimated useful economic lives of 50 years. However, the residual values of each property are considered to be high due in part because each property is subject to a repair and maintenance program and therefore are unlikely to suffer from technological or economic obsolescence. Accordingly, the directors considered the depreciation charge for the year and on a cumulative basis to be immaterial.

The freehold and leasehold properties are accounted for using the revaluation model. The directors consider the values shown in the accounts to fairly reflect the current value of homes, as required by FRS 102s.17. As required FRS 102 s.17 a full revaluation is to be carried out with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using the fair value at the end of the reporting period. For new properties acquired or built by the group, a valuation is completed in the year of purchase or upon completion of building work (where appropriate), after which time it then falls to be revalued in accordance with the group policy above.

All of the freehold and leasehold properties, are regularly revalued by a professional firm of chartered surveyors, which forms the basis of the directors' valuation.

Fixed asset investments

In the separate accounts of the company, interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less.

RUNWOOD HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 Accounting policies (Continued)

Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally 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.

Basic financial assets

Basic financial assets, which include trade and other debtors, and amounts owed by group undertakings, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. 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 a 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.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans, and amounts owed to group undertakings, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

RUNWOOD HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 Accounting policies (Continued)

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the group's contractual obligations are discharged, cancelled, or they expire.

Equity instruments

Equity instruments issued by the group are recorded at the fair value of proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

For non-depreciable assets measured using the revaluation model and investment properties measured at fair value (except investment property with a limited useful life held by the group to consume substantially all of its economic benefit), deferred tax is measured using the tax rates and allowances that apply to the sale of the asset or property.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

RUNWOOD HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 Accounting policies (Continued)

Retirement benefits

The group operated a defined contribution plan for its employees. A defined contributions 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 the consolidated statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the statement of financial position. The assets of the plan are held separately from the group in independently administered fund.

The group operates a defined benefit plan for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including but not limited to age, length of service and remuneration. A defined benefit plan is a pension plan that it not a defined contributions plan.

The liability recognised in the statement of financial position in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the reporting date less the fair value of plan assets at the reporting date (if any) out of which the obligations are to be settled.

The defined benefit obligation is calculated using the projected unit credit method. Annually the company engages independent actuaries to recalculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating to the estimated period of the future payments ('discount rate').

The fair value of plan assets is measured in accordance with the FRS102 fair value hierarchy and in accordance with the group's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets less amounts included in net interest, are disclosed as 'remeasurement of net defined liability'.

The cost of the defined benefit plan, recognised in the consolidated statement of comprehensive income as employee costs, except where included in the cost of an asset, comprises:

- a) the increase in net pension benefit liability arising from employees service during the period; and
- b) the costs of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. The cost is recognised in profit or loss as a finance expense.

RUNWOOD HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 Accounting policies (Continued)

Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

All translation differences are taken to profit or loss.

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

A key critical judgement is the valuation of properties; this is the directors' estimate of the fair value of the properties and takes into account the external valuation performed by a qualified surveyor.

3 Turnover and other revenue

	2021 £	2020 £
Turnover analysed by class of business		
Care home trading	153,560,187	147,348,811
	<u> </u>	<u> </u>
	2021 £	2020 £
Other revenue		
Grants received	10,310,075	2,019,315
Other miscellaneous income	5,873,649	2,072,565
	<u> </u>	<u> </u>

RUNWOOD HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

3 Turnover and other revenue (Continued)

	2021 £	2020 £
Turnover analysed by geographical market		
United Kingdom	153,560,187	147,348,811

Government grants relate to monies received in regards to Mutual Aid, Infection Control and the coronavirus job retention scheme. A contingency of these grant monies is that they are spent on a strict set of criteria and there is a requirement for periodic reports to be submitted along with frequent updates of the NHS Capacity Tracker and HMRC.

4 Employees

The average monthly number of persons (including directors) employed during the year was:

	Group 2021 Number	2020 Number	Company 2021 Number	2020 Number
Office and management	225	206	202	206
Residential care	4,815	4,357	3,935	4,357
Total	5,040	4,563	4,137	4,563

Their aggregate remuneration comprised:

	Group 2021 £	2020 £	Company 2021 £	2020 £
Wages and salaries	85,778,726	80,515,076	73,925,254	80,515,076
Social security costs	6,773,141	6,410,430	5,868,490	6,410,430
Pension costs	1,359,734	1,330,887	1,179,747	1,330,887
	93,911,601	88,256,393	80,973,491	88,256,393

5 Directors' remuneration

	2021 £	2020 £
Remuneration for qualifying services	4,934,706	3,805,677
Company pension contributions to defined contribution schemes	5,268	25,351
Compensation for loss of office	50,000	286,012
	4,989,974	4,117,040

RUNWOOD HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

5 Directors' remuneration (Continued)

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 5 (2020 - 6).

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2021 £	2020 £
Remuneration for qualifying services	4,127,347	3,044,084

6 Operating profit

	2021 £	2020 £
Operating profit for the year is stated after charging/(crediting):		
Government grants	(10,310,075)	(2,019,315)
Depreciation of owned tangible fixed assets	3,947,406	4,265,710
Loss on disposal of tangible fixed assets	98	-
Amortisation of intangible assets	10,000	10,000
Operating lease charges	2,951,348	2,777,640

7 Auditor's remuneration

	2021 £	2020 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	82,800	66,800
Audit of the financial statements of the company's subsidiaries	12,000	16,200
	94,800	83,000
For other services		
Other assurance services	-	12,140
Taxation compliance services	-	14,500
	-	26,640

8 Interest receivable and similar income

	2021 £	2020 £
Interest income		
Other interest income	1,000	5,000

RUNWOOD HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

9 Interest payable and similar expenses

	2021	2020
	£	£
Interest on bank overdrafts and loans	3,529,218	3,837,034

10 Taxation

	2021	2020
	£	£
Current tax		
UK corporation tax on profits for the current period	6,165,446	4,817,237
Adjustments in respect of prior periods	30,818	193,087
Total current tax	6,196,264	5,010,324
Deferred tax		
Origination and reversal of timing differences	(322,342)	239,759
Changes in tax rates	2,267,349	450,594
Adjustment in respect of prior periods	(117,161)	-
Other adjustments	-	(193,819)
Total deferred tax	1,827,846	496,534
Total tax charge	8,024,110	5,506,858

The total tax charge for the year included in the income statement can be reconciled to the profit before tax multiplied by the standard rate of tax as follows:

	2021	2020
	£	£
Profit before taxation	31,342,617	25,394,869
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	5,955,097	4,825,025
Adjustments in respect of prior years	(555,437)	193,087
Other non-reversing timing differences	-	250,125
Expenses not deductible for tax purposes	692,198	238,621
Deferred tax on investment properties	(724,691)	-
Rate change	2,656,943	-
Taxation charge	8,024,110	5,506,858

RUNWOOD HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

10 Taxation (Continued)

In addition to the amount charged to profit or loss, the following amounts relating to tax have been recognised directly in other comprehensive income:

	2021 £	2020 £
Deferred tax arising on:		
Revaluation of property	6,117,096	1,474,414
Actuarial differences recognised as other comprehensive income	79,500	161,270
	<u>6,196,596</u>	<u>1,635,684</u>

11 Dividends

	2021 £	2020 £
Recognised as distributions to equity holders:		
Final paid	<u>4,175,000</u>	<u>3,000,000</u>

12 Intangible fixed assets

Group	Goodwill £
Cost	
At 1 October 2020 and 30 September 2021	<u>100,000</u>
Amortisation and impairment	
At 1 October 2020	40,000
Amortisation charged for the year	<u>10,000</u>
At 30 September 2021	<u>50,000</u>
Carrying amount	
At 30 September 2021	<u>50,000</u>
At 30 September 2020	<u>60,000</u>

RUNWOOD HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

12 Intangible fixed assets (Continued)

Company	Goodwill
	£
Cost	
At 1 October 2020 and 30 September 2021	100,000
	<hr/>
Amortisation and impairment	
At 1 October 2020	40,000
Amortisation charged for the year	10,000
	<hr/>
At 30 September 2021	50,000
	<hr/>
Carrying amount	
At 30 September 2021	50,000
	<hr/>
At 30 September 2020	60,000
	<hr/>

RUNWOOD HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 30 SEPTEMBER 2021**

13 Tangible fixed assets

Group	Freehold land and buildings	Long-term leasehold property	Fixtures and fittings	Computer equipment	Motor vehicles	Short-term leasehold property	Total
	£	£	£	£	£	£	£
Cost or valuation							
At 1 October 2020	325,919,870	27,367,847	26,307,342	570,932	293,365	13,391,124	393,850,480
Additions	7,158,295	-	4,923,107	51,812	124,434	-	12,257,648
Disposals	-	(59,359)	(3,891,867)	(74,910)	(13,330)	-	(4,039,466)
At 30 September 2021	333,078,165	27,308,488	27,338,582	547,834	404,469	13,391,124	402,068,662
Depreciation and impairment							
At 1 October 2020	10,482,072	5,410,927	17,963,795	366,246	207,987	6,206,253	40,637,280
Depreciation charged in the year	-	268,659	3,067,646	176,000	26,802	408,299	3,947,406
Eliminated in respect of disposals	-	(59,359)	(2,964,648)	(59,455)	(3,352)	-	(3,086,814)
At 30 September 2021	10,482,072	5,620,227	18,066,793	482,791	231,437	6,614,552	41,497,872
Carrying amount							
At 30 September 2021	322,596,093	21,688,261	9,271,789	65,043	173,032	6,776,572	360,570,790
At 30 September 2020	315,437,798	21,956,920	8,343,547	204,686	85,378	7,184,871	353,213,200

RUNWOOD HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 30 SEPTEMBER 2021**

13 Tangible fixed assets (Continued)

Company	Freehold land and buildings	Long-term leasehold property	Fixtures and fittings	Computer equipment	Motor vehicles	Short-term leasehold property	Total
	£	£	£	£	£	£	£
Cost or valuation							
At 1 October 2020	328,388,621	26,949,919	25,286,678	987,927	293,365	13,343,973	395,250,483
Additions	7,158,295	-	2,611,589	8,323	124,434	-	9,902,641
Disposals	(39,382,626)	(59,359)	(3,891,867)	(74,910)	(13,330)	-	(43,422,092)
At 30 September 2021	296,164,290	26,890,560	24,006,400	921,340	404,469	13,343,973	361,731,032
Depreciation and impairment							
At 1 October 2020	10,482,072	4,978,532	17,037,733	682,856	207,987	6,159,102	39,548,282
Depreciation charged in the year	-	268,659	2,671,617	166,407	26,802	408,299	3,541,784
Eliminated in respect of disposals	-	(59,359)	(2,964,648)	(59,455)	(3,352)	-	(3,086,814)
At 30 September 2021	10,482,072	5,187,832	16,744,702	789,808	231,437	6,567,401	40,003,252
Carrying amount							
At 30 September 2021	285,682,218	21,702,728	7,261,698	131,532	173,032	6,776,572	321,727,780
At 30 September 2020	317,906,549	21,971,387	8,248,945	305,071	85,378	7,184,871	355,702,201

RUNWOOD HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

13 Tangible fixed assets (Continued)

Included within fixed assets are assets of £15,693,807 held at cost and £306,976,647 held at valuation. Land and buildings with a carrying amount of £306,976,647 were revalued in September 2019 by Knight Frank, independent valuers not connected with the company on the basis of market value. The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar properties.

If revalued assets were stated on an historical cost basis rather than a fair value basis, the total amounts included would have been as follows:

	Group 2021 £	2020 £	Company 2021 £	2020 £
Cost	199,711,318	192,553,023	160,269,334	192,553,023
Accumulated depreciation	(3,221,398)	(3,082,283)	(3,221,398)	(3,082,283)
Carrying value	<u>196,489,920</u>	<u>189,470,740</u>	<u>157,047,936</u>	<u>189,470,740</u>

14 Fixed asset investments

	Notes	Group 2021 £	2020 £	Company 2021 £	2020 £
Investments in subsidiaries	15	-	-	60,002	60,002

Movements in fixed asset investments Company

	Shares in group undertakings £
Cost or valuation	
At 1 October 2020 and 30 September 2021	<u>60,002</u>
Carrying amount	
At 30 September 2021	<u>60,002</u>
At 30 September 2020	<u>60,002</u>

RUNWOOD HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

15 Subsidiaries

Details of the company's subsidiaries at 30 September 2021 are as follows:

Name of undertaking	Address	Nature of business	Class of shares held	% Held Direct
Runwood Homes (Waltham) Limited	*	Dormant	Ordinary	100.00
Kathryn Homes Limited	*	Nursing and residential care services	Ordinary	100.00
AAG Homes Limited	*	Dormant	Ordinary	100.00

* Runwood House, 107 London Road, Hadleigh, Benfleet, Essex, SS7 2QL, United Kingdom

16 Debtors

	Group 2021 £	2020 £	Company 2021 £	2020 £
Amounts falling due within one year:				
Trade debtors	4,394,687	5,243,831	3,706,766	5,243,831
Amounts owed by group undertakings	-	-	38,694,007	-
Other debtors	2,497,158	1,395,436	2,493,662	1,395,525
Prepayments and accrued income	2,603,682	1,842,143	2,564,805	1,842,143
	<u>9,495,527</u>	<u>8,481,410</u>	<u>47,459,240</u>	<u>8,481,499</u>
Deferred tax asset (note 20)	3,221	-	-	-
	<u>9,498,748</u>	<u>8,481,410</u>	<u>47,459,240</u>	<u>8,481,499</u>
Amounts falling due after more than one year:				
Other debtors	<u>39,270,956</u>	<u>30,421,300</u>	<u>39,270,956</u>	<u>30,421,300</u>
Total debtors	<u>48,769,704</u>	<u>38,902,710</u>	<u>86,730,196</u>	<u>38,902,799</u>

RUNWOOD HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

17 Creditors: amounts falling due within one year

	Notes	Group 2021 £	2020 £	Company 2021 £	2020 £
Bank loans	19	9,524,706	6,349,804	9,524,706	6,349,804
Trade creditors		5,000,869	1,950,143	4,628,281	1,950,143
Amounts owed to group undertakings		-	-	56,320	35,117
Corporation tax payable		2,012,688	409,591	1,611,295	409,591
Other taxation and social security		1,763,782	1,725,738	1,470,180	1,725,738
Other creditors		7,378,645	4,514,631	6,649,070	4,514,632
Accruals and deferred income		6,787,556	5,564,221	6,088,482	5,564,224
		<u>32,468,246</u>	<u>20,514,128</u>	<u>30,028,334</u>	<u>20,549,249</u>

The bank loan and overdrafts are secured on freehold properties included in the tangible assets of the group and by cross guarantee of subsidiary companies.

The bank loans have repayments terms of between 1 and 5 years, and interest is charged at rates between 2.0% and 2.5% above LIBOR rate. However, monthly repayments are made using terms up of 15 years from the original draw down based on the anticipation of both the directors and the group's bankers that the loans will be re-let as they mature.

18 Creditors: amounts falling due after more than one year

	Notes	Group 2021 £	2020 £	Company 2021 £	2020 £
Bank loans and overdrafts	19	121,922,130	130,760,308	121,922,130	130,760,308

19 Borrowings

	Group 2021 £	2020 £	Company 2021 £	2020 £
Bank loans	131,446,836	137,110,112	131,446,836	137,110,112
Payable within one year	9,524,706	6,349,804	9,524,706	6,349,804
Payable after one year	121,922,130	130,760,308	121,922,130	130,760,308

Details of the security on the long-term loans are detailed in note 17.

RUNWOOD HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

20 Deferred taxation

The major deferred tax liabilities and assets recognised by the group and company are:

	Liabilities 2021 £	Liabilities 2020 £	Assets 2021 £	Assets 2020 £
Group				
Accelerated capital allowances	6,430,965	4,520,398	3,221	-
Investment property	28,507,444	22,390,348	-	-
	<u>34,938,409</u>	<u>26,910,746</u>	<u>3,221</u>	<u>-</u>
	Liabilities 2021 £	Liabilities 2020 £	Assets 2021 £	Assets 2020 £
Company				
Accelerated capital allowances	6,430,965	4,520,398	-	-
Investment property	30,490,472	22,390,348	-	-
	<u>36,921,437</u>	<u>26,910,746</u>	<u>-</u>	<u>-</u>
			Group	Company
			2021	2021
			£	£
Movements in the year:				
Liability at 1 October 2020			26,910,746	26,910,746
(Credit)/charge to profit or loss			(360,003)	1,149,546
Effect of change in tax rate - profit or loss			8,384,445	8,861,145
			<u>34,935,188</u>	<u>36,921,437</u>

In the budget on 3 March 2021, the UK Government announced an increase in the main UK corporation tax rate from 19% to 25% with effect from 1 April 2023. The change in rate was substantively enacted on 24 May 2021. Deferred tax has been calculated at 25% which was the tax rate substantively enacted at 30 September 2021.

21 Retirement benefit schemes

	2021 £	2020 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>1,359,734</u>	<u>2,300,112</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund. Contributions totalling £143,487 (2020: £169,841) were payable to the fund at the reporting date.

RUNWOOD HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

21 Retirement benefit schemes (Continued)

Defined benefit schemes

The company operates a defined benefit scheme for qualifying employees. The most recent comprehensive actuarial valuation of the plan assets and the present value of the defined benefit obligation was carried out at 22 October 2021.

	2021	2020
	%	%
<i>Key assumptions</i>		
Discount rate	2.0	1.7
Expected rate of increase of pensions in payment	2.5	2
Expected rate of salary increases	N/A	2
Expected return on scheme assets at 30 September	9.4	7.3
Inflation assumption	3.5	2.9
<i>Mortality assumptions</i>	2021	2020
Assumed life expectations on retirement at age 65:	Years	Years
Retiring today		
- Males	20.9	20.9
- Females	22.8	22.8
Retiring in 20 years		
- Males	21.9	21.9
- Females	24.0	24.0
	2021	2020
	£	£
<i>Amounts recognised in the income statement</i>		
Current service cost	-	195,000
Net interest on net defined benefit liability/(asset)	(1,000)	(5,000)
Total costs/(income)	(1,000)	190,000
	2021	2020
	£	£
<i>Amounts taken to other comprehensive income</i>		
Actual return on scheme assets	(1,272,000)	(948,000)
Less: calculated interest element	178,000	175,000
Return on scheme assets excluding interest income	(1,094,000)	(773,000)
Actuarial changes related to obligations	776,000	634,000
Total costs/(income)	(318,000)	(139,000)

RUNWOOD HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

21 Retirement benefit schemes (Continued)

The amounts included in the statement of financial position arising from the company's obligations in respect of defined benefit plans are as follows:

	Group 2021 £	2020 £	Company 2021 £	2020 £
Present value of defined benefit obligations	11,216,000	10,556,000	11,216,000	10,556,000
Fair value of plan assets	(11,587,650)	(10,608,650)	(11,587,650)	(10,608,650)
Deficit in scheme	(371,650)	(52,650)	(371,650)	(52,650)

	Group 2021 £	Company 2021 £
<i>Movements in the present value of defined benefit obligations</i>		
Liabilities at 1 October 2020	10,556,000	10,556,000
Benefits paid	(293,000)	(293,000)
Actuarial gains and losses	776,000	776,000
Interest cost	177,000	177,000
At 30 September 2021	11,216,000	11,216,000

	Group 2021 £	Company 2021 £
<i>Movements in the fair value of plan assets</i>		
Fair value of assets at 1 October 2020	10,608,650	10,608,650
Interest income	178,000	178,000
Return on plan assets (excluding amounts included in net interest)	1,094,000	1,094,000
Benefits paid	(293,000)	(293,000)
At 30 September 2021	11,587,650	11,587,650

The actual return on plan assets was £178,000 (2020 - £175,000).

RUNWOOD HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

21 Retirement benefit schemes (Continued)

The analysis of the scheme assets at the reporting date were as follows:

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Equity instruments	5,907,000	5,304,650	5,907,000	5,304,650
Debt instruments	3,447,000	3,395,000	3,447,000	3,395,000
Gilts	470,000	424,000	470,000	424,000
Cash	1,763,650	1,485,000	1,763,650	1,485,000
	<u>11,587,650</u>	<u>10,608,650</u>	<u>11,587,650</u>	<u>10,608,650</u>

22 Share capital

	Group and Company			
	2021	2020	2021	2020
	Number	Number	£	£
Ordinary share capital				
Issued and fully paid				
A ordinary of £1 each	49,999,999	49,999,999	49,999,999	49,999,999
B ordinary of £1 each	1	1	1	1
	<u>50,000,000</u>	<u>50,000,000</u>	<u>50,000,000</u>	<u>50,000,000</u>

Each of the company shares carry no right to fixed income and each carry the right to one vote at general meetings of the company. The A Ordinary and B Ordinary shares rank pari passu in all respects.

23 Reserves

Profit and loss reserves

The profit and loss reserve represents the cumulative profit and loss net of distributions to owners.

Revaluation reserves

The revaluation reserve represents the cumulative revaluation gains and losses in respect of freehold and leasehold property.

Hedging reserves

The hedging reserve represent the cumulative fair value gains and losses in respect of cash flow hedges.

RUNWOOD HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

24 Cash generated from group operations

	2021 £	2020 £
Profit for the year after tax	23,318,507	19,888,011
Adjustments for:		
Taxation charged	8,024,110	5,506,858
Finance costs	3,529,218	3,837,034
Investment income	(1,000)	-
Loss on disposal of tangible fixed assets	98	-
Amortisation and impairment of intangible assets	10,000	10,000
Depreciation and impairment of tangible fixed assets	3,947,406	4,265,710
Pension scheme non-cash movement	(1,000)	(802,000)
Government grants	(10,310,075)	(2,019,315)
Movements in working capital:		
Increase in debtors	(9,863,773)	(10,816,455)
Increase/(decrease) in creditors	4,902,866	(1,001,439)
Cash generated from operations	23,556,357	18,868,404

25 Analysis of changes in net debt - group

	1 October 2020 £	Cash flows 30 September 2021 £	
Cash at bank and in hand	4,613,461	6,874,930	11,488,391
Borrowings excluding overdrafts	(137,110,112)	5,663,276	(131,446,836)
	(132,496,651)	12,538,206	(119,958,445)

26 Financial commitments, guarantees and contingent liabilities

There is a cross guarantee given to Barclays Bank PLC in respect of group borrowings which total £131,446,836 (2020: £137,110,112).

RUNWOOD HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

27 Operating lease commitments

Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2021 £	2020 £	Company 2021 £	2020 £
Within one year	2,790,342	2,614,474	2,386,552	2,614,474
Between one and five years	11,211,711	10,672,817	9,630,272	10,672,817
In over five years	39,721,426	38,334,676	39,211,665	38,334,676
	<u>53,723,479</u>	<u>51,621,967</u>	<u>51,228,489</u>	<u>51,621,967</u>

28 Related party transactions

Transactions with related parties

During the year the group entered into the following transactions with related parties:

	Other income		Rent	
	2021 £	2020 £	2021 £	2020 £
Group				
Entities under common control	<u>984,278</u>	<u>699,149</u>	<u>274,780</u>	<u>60,000</u>

The following amounts were outstanding at the reporting end date:

Amounts due to related parties	2021 £	2020 £
Group		
Entities under common control	<u>175,000</u>	<u>-</u>

The following amounts were outstanding at the reporting end date:

Amounts due from related parties	2021 Balance £	2020 Balance £
Group		
Entities under common control	<u>41,031,457</u>	<u>31,302,105</u>

RUNWOOD HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

29 Directors' transactions

The loan due from G J O'Hare-Connolly is secured on a freehold property with a repayment term of six years and interest is charged at 3%.

Description	% Rate	Opening balance £	Amounts advanced £	Amounts repaid £	Closing balance £
Loan due to K Clark	-	(547)	15,502	(14,955)	-
Loan due from G J O'Hare-Connolly	3.00	194,342	345	(48,000)	146,687
Loan due to G G Sanders	-	(145)	2,926,494	(3,018,721)	(92,372)
Loan due from T Sanders	-	-	1,144	(1,144)	-
		<u>193,650</u>	<u>2,943,485</u>	<u>(3,082,820)</u>	<u>54,315</u>

30 Controlling party

The group and company's ultimate controlling party is considered to be Mr G G Sanders by virtue of his 100% shareholding.