

Bargate Homes Limited

**Annual Report and Financial Statements
For the year ended 31 March 2022**

Registered Number: 05626135

Contents

| | Page |
|---|------|
| Strategic Report | 1 |
| Directors' Report | 4 |
| Statement of Directors Responsibilities | 6 |
| Independent Auditors Report | 7 |
| Statement of Comprehensive Income | 11 |
| Statement of Financial Position | 12 |
| Statement of Changes in Equity | 13 |
| Notes to the Accounts | 14 |

Strategic Report For the year ended 31 March 2022

Introduction

The directors present their report and the financial statements for the 12 months ended 31 March 2022. The comparative numbers shown in the profit and loss account as well as the accompanying notes to the accounts are for the 12 months to 31 March 2021.

Financial key performance indicators

The company made a profit for the year on ordinary activities before taxation of £2.6m (2021: £3.9m).

About us

Bargate Homes Limited (05626135) is owned by VIVID Housing Limited as part of VIVID's ambitious housebuilding plans to develop 17,000 more homes in the south over the next 10 years.

The mission of Bargate Homes Limited is to support VIVID in the delivery of quality homes at a competitive price.

Our future plans

Bargate Homes Limited currently has around 2,500 plots secured for new homes giving us access to the extra land we need to maintain the momentum of our housebuilding programme. In addition, the expertise in land management and construction complements the skills of our team meaning that together we can achieve much more than either business can individually, to meet our customers' needs and aspirations.

Building new homes

We're making a contribution to the supply of new homes in Hampshire and Surrey. In 2021-22 we invested £33.3 m in the development of new homes for VIVID (2021: £28.0 m).

| | 2018 | 2019 | 6m to 31 Mar 2020 | 2021 | 2022 |
|--------------------------------------|--------|--------|-------------------------|--------|--------|
| Sales of new homes (£'000) | 53,760 | 66,000 | 33,985 | 46,725 | 38,349 |
| Number of new homes completed | 123 | 195 | 88 | 166 | 123 |

Strategic Report (continued)
For the year ended 31 March 2022

Our people

We currently employ 56 staff (2021: 60). We're an equal opportunities employer. Our policy is to take positive steps in line with the requirements of Equal Opportunities legislation and the Disability Discrimination Act to ensure that the best candidate for any vacant post is selected. Adverts for staff describe us as an equal opportunities employer and invite applications from all members of the community. Our premises are fully accessible to people with disabilities.

Risk Management and internal control

The Directors are responsible for our system of internal control and for reviewing its effectiveness. Our system of internal control is designed to manage rather than eliminate the risk of failure to achieve our corporate ambitions. It is designed to provide reasonable, but not absolute, assurance over the safeguarding of assets, the maintenance of proper accounting records and the reliability of financial information. Further details are provided in the consolidated group accounts.

Key trends and risks affecting our business and how we're managing them

Housing market exposure

Development of new homes carries a cost and market risk. By focusing on a relatively small geographic area that we know well in terms of house prices and demand, and using tried and tested sub-contractors it helps mitigate these risks.

Health and safety

The health and safety of our staff and customers is extremely important. We invest in the training of all staff to ensure that all of our sites are managed to the highest standards to ensure the safety and well being of everyone.

Construction labour market

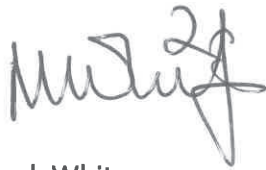
This is an area impacted by many external factors and the company uses a mixture of employed and sub contracted staff to mitigate the impacts of this. Geographically focussed in Hampshire and ensuring that the pipeline of schemes is planned effectively has enabled a transition of staff from sites.

Strategic Report (continued)
For the year ended 31 March 2022

Going concern

The Board confirms that we have adequate resources to continue operating for the foreseeable future. For this reason, the Financial Statements have been prepared on a going concern basis.

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



Mark White

Date:

16/06/2022

Directors' Report
For the year ended 31 March 2022

| | | |
|-------------------|--|--|
| Directors | Duncan Brown Gerard Price (resigned 27 May 2021) Michael Stancombe (resigned 22 Jul 2021) Jeremy Trezise (resigned 13 May 2022) Mark White (appointed 27 May 2021) Michael Shepherd (appointed 22 Jul 2021) | |
| Company Secretary | Duncan Brown | |
| Company Number | 05626135 | Bankers |
| Registered Office | Peninsular House Wharf Road Portsmouth Hampshire PO2 8HB | Royal Bank of Scotland Plc 3 rd Floor 3 Temple Back east Temple Quay Bristol BS1 6DZ |
| Auditors | External Auditors BDO Southampton Arcadia House Maritime Walk Southampton SO14 3TL | Internal Auditors PricewaterhouseCoopers LLP 3 Ocean Way Savannah House Southampton SO14 3TJ |

Directors' Report (continued)
For the year ended 31 March 2022

Matters covered in the strategic report

As permitted in paragraph 1A of schedule 7 to large and medium-sized Companies and Groups (accounts and reports) Regulations 2008 certain matters which are required to be disclosed in the directors' report have been omitted as they are included in the strategic report. These matters relate to the principal activity and review of the business, future developments and principal risks and uncertainties.

Provision 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 that director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

AUDITOR

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

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



Mark White

Date: 16/06/2022 .

Statement of directors' responsibilities in respect of the Strategic report, the Directors' report and the financial statements

The directors are responsible for preparing the Strategic Report, 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 UK accounting standards, including FRS102 The Financial Reporting Standard applicable in the UK and the Republic of Ireland. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Independent auditor's report to the members of Bargate Homes Limited

Opinion

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2022 and of its 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.

We have audited the financial statements of Bargate Homes Limited (the 'company') for the year ended 31 March 2022 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, 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 are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the board members' 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 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 board with respect to going concern are described in the relevant sections of this report.

Independent auditor's report (continued)

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the 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 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

Independent auditor's report (continued)

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 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 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:

Based on our understanding of the company and the sector in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to their registration with the Companies House, and we considered the extent to which non-compliance might have a material effect on the Financial Statements or their continued operation. We also considered those laws and regulations that have a direct impact on the financial statements such as compliance with tax legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and other management and inspection of regulatory and legal correspondence if any.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results and management bias in accounting estimates.

Independent auditor's report (continued)

The audit procedures to address the risks identified included:

- Challenging assumptions made by management in respect to the identification of significant accounting estimates
- Identifying and testing journal entries, in particular any journal entries posted from staff members with privilege access rights, journals posted by key management and journals posted after the year end.
- Reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with regulators

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

DocuSigned by:

D1FB52C82A114D7...

Philip Cliftlands (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Gatwick, United Kingdom

Date 27 July 2022

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

**Statement of Comprehensive Income
For the year ended 31 March 2022**

| | | 2022 | 2021 |
|---|-------|-----------------|--------------|
| | Notes | £'000 | £'000 |
| Sales | | 38,351 | 46,725 |
| Cost of sales | | (31,408) | (38,363) |
| Gross Profit | | 6,943 | 8,362 |
| Administrative expenses | | (3,950) | (3,699) |
| Other operating income | | 31 | 240 |
| Operating profit | 3 | 3,024 | 4,903 |
| Investment income | 6 | 85 | 2 |
| Interest payable and similar expenses | 7 | (548) | (977) |
| Profit on ordinary activities before taxation | | 2,561 | 3,928 |
| Taxation | 8 | - | - |
| Profit and Total Comprehensive profit for the financial year | | 2,561 | 3,928 |

The Statement of Comprehensive Income has been prepared on the basis that all operations are continuing operations.

**Statement of Financial Position
For the year ended 31 March 2022**

| | Notes | 2022 | 2021 |
|--|-------|-----------------------|----------------------|
| | | £'000 | £'000 |
| Fixed Assets | | | |
| Tangible assets | 9 | 85 | 117 |
| Investment in JV | | 1 | 1 |
| | | <u>86</u> | <u>118</u> |
| Current Assets | | | |
| Stocks | 11 | 34,976 | 33,035 |
| Debtors | 12 | 1,360 | 2,066 |
| Cash at bank | 13 | 1,864 | 7,216 |
| | | <u>38,200</u> | <u>42,317</u> |
| Creditors: amounts falling due within one year | 14 | <u>(5,624)</u> | <u>(16,219)</u> |
| Net current assets | | 32,576 | 26,099 |
| Total assets less current liabilities | | <u>32,662</u> | <u>26,216</u> |
| Creditors: amounts falling due after more than one year | 15 | <u>(7,876)</u> | <u>-</u> |
| Net assets | | <u>24,786</u> | <u>26,216</u> |
| Capital and Reserves: | | | |
| Called up share capital | 19 | 2 | 2 |
| Share premium account | 20 | 209 | 209 |
| Profit and loss reserves | | <u>24,575</u> | <u>26,005</u> |
| Total equity | | <u>24,786</u> | <u>26,216</u> |

The financial statements were approved by the board of directors and authorised for issue on 23 June 2022 and are signed on its behalf by:



Duncan Brown
Director

The accompanying notes on pages 14 to 26 form an integral part of the Financial Statements.

Statement of Changes in Equity
For the year ended 31 March 2022

| | 2022 | 2021 |
|--|---------------|---------------|
| | £000 | £000 |
| Balance brought forward from previous year | 26,216 | 22,288 |
| Profit and total comprehensive income for the current year | 2,561 | 3,928 |
| Gift aid to group charity | (3,991) | - |
| Balance at 31 March | 24,786 | 26,216 |

Notes to the Accounts

1. Accounting policies

1.1 Basis of preparation of accounts

Bargate Homes Limited (the "Company") is a private company limited by shares and incorporated and domiciled in England. The registered office is Peninsular House, Wharf Road, Portsmouth, Hants, PO2 8HB.

These financial statements were prepared in accordance with Financial Reporting Standard 102. The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") as issued in 2015. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

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

The Company's ultimate parent, VIVID Housing Limited, includes the Company in its consolidated financial statements.

In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Cash Flow Statement and related notes; and
- The financial instruments disclosure exemptions per FRS 102 section 1.12(c).

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

1.2 Going concern

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, a period of at least 12 months from the date of signing the accounts. The Directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

1.3 Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

1.3 Basic financial instruments (continued)

Interest-bearing borrowings classified as basic financial instruments.

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method.

1.4 Turnover

Turnover relates to the sale of houses (recognised on the financial completion of the sale of the house) and of land (recognised on the unconditional exchange of contracts). The recognition of certain Housing Association turnover is dependent on the stage of completion based on the external valuation.

1.5 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:

| | | |
|--------------------------------|---|----------------------------------|
| Leasehold Improvements | - | straight line over life of lease |
| Fixtures, fittings & equipment | - | 25% and 33% straight line |
| Motor Vehicles | - | 25% straight line |

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.

1.6 Fixed asset investments

Interests in jointly controlled entities 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.

Entities in which the company has a long-term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible 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).

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.8 Stocks

Stocks of land and work in progress are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the work in progress to its present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.9 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability to current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

1.10 Taxation (continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that neither the tax profit nor the accounting profit.

1.11 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. Amounts received under the Coronavirus Job Retention Scheme total £11,337 (2021: £220,000) and are presented as other income.

1.12 Retirement benefits

The company operated a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable. The assets of the scheme are held separately from the company.

1.13 Interest receivable and Interest payable

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method.

2. Judgements and key sources of estimation uncertainty

In the application of the company'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 underlining 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.

2. Judgements and key sources of estimation uncertainty (continued)

The main accounting estimates are:

- Accrued costs – involving a degree of estimation uncertainty in respect of the final account settlement
- Assessment of costs to complete, which involves estimating final contract value and impacts profits recognised in allocating costs to completions before and after the year end
- Sales value and unsold stock – involving an assessment of the recoverability of stock, including land options that could be impaired at a later date should planning applications not be successful.

3. Operating profit

| | 2022 | 2021 |
|---|---------------|---------------|
| | £'000 | £'000 |
| Profit on ordinary activities before taxation is stated after charging: | | |
| Fees payable to the company's auditor for the audit of the company's financial statements | 16 | 15 |
| Other non-audit services | 6 | 6 |
| Depreciation of owned tangible fixed assets | 32 | 28 |
| Cost of stock recognised as expense | <u>30,396</u> | <u>37,388</u> |

4. Employees

The aggregate remuneration paid to the employees (including directors) comprised:

| | 2022 | 2021 |
|-----------------------|---------------------|---------------------|
| | £'000 | £'000 |
| Salaries | 3,304 | 3,314 |
| Social Security costs | 383 | 406 |
| Pension costs | 222 | 116 |
| | <u>3,909</u> | <u>3,836</u> |

The average monthly number of persons (including directors) employed by the company during the year was: 57 (2021: 66).

5. Director's remuneration

| | 2022 | 2021 |
|--|-------------------|-------------------|
| | £'000 | £'000 |
| Remuneration for qualifying services | 372 | 295 |
| Company pension contributions to defined pension schemes | 7 | - |
| | <u>379</u> | <u>295</u> |

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2021: nil).

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

| | 2022 | 2021 |
|--------------------------------------|-------------------|-------------------|
| | £'000 | £'000 |
| Remuneration for qualifying services | <u>212</u> | <u>172</u> |

6. Investment income

| | 2022 | 2021 |
|-------------------------|------------------|-----------------|
| | £'000 | £'000 |
| Interest income: | | |
| Other interest income | 85 | 2 |
| | <u>85</u> | <u>2</u> |

7. Interest payable and similar expenses

| | 2022 | 2021 |
|--|--------------|--------------|
| | £'000 | £'000 |
| Interest on financial liabilities measured at amortised cost: | | |
| Interest on bank overdrafts and loans | 465 | 394 |
| Other interest on financial liabilities | 83 | 583 |
| | <u>548</u> | <u>977</u> |
| Other finance costs: | | |
| Other interest | - | - |
| | <u>548</u> | <u>977</u> |

8. Taxation

| | 2022 | 2021 |
|--|--------------|--------------|
| | £'000 | £'000 |
| Current tax | | |
| UK Corporation tax on profits for the current year | - | - |
| | <u>-</u> | <u>-</u> |
| Total current tax | <u>-</u> | <u>-</u> |

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

8. Taxation (continued)

| | 2022 | 2021 |
|--|-------|-------|
| | £'000 | £'000 |
| Profit before taxation | 2,561 | 3,928 |
| Expected tax charge based on the standard rate of corporation tax in the UK of 19% (2021: 19%) | 487 | 746 |
| Gift aid contribution to group charity | (487) | (746) |
| Taxation charge for the year | - | - |

9. Fixed assets

| | Leasehold Improvements | Fixtures, fittings & equipment | Motor vehicles | Total |
|--------------------------|---------------------------|-----------------------------------|-------------------|------------|
| | £'000 | £'000 | £'000 | £'000 |
| Cost | | | | |
| Balance at 31 March 2021 | 81 | 77 | 89 | 247 |
| Additions in the year | - | - | - | - |
| Disposals in the year | - | - | - | - |
| Balance at 31 March 2022 | <u>81</u> | <u>77</u> | <u>89</u> | <u>247</u> |
| Depreciation | | | | |
| Balance at 31 March 2021 | 5 | 75 | 50 | 130 |
| Charge for the year | 10 | 1 | 21 | 32 |
| Disposal for the year | - | - | - | - |
| Balance at 31 March 2022 | <u>15</u> | <u>76</u> | <u>71</u> | <u>162</u> |
| Net Book Value | | | | |
| At 31 March 2022 | 66 | 1 | 18 | 85 |
| At 31 March 2021 | <u>76</u> | <u>2</u> | <u>39</u> | <u>117</u> |

10. Joint ventures

Details of the company's joint ventures at 31 March 2022 are as follows:

| Name of undertaking | Registered office | Nature of business | Class of shares held | % Held Direct and Indirect |
|------------------------------|-------------------|-----------------------|----------------------|----------------------------|
| BB Property Ventures Limited | England & Wales | Not currently trading | Ordinary | 50 |

The cost of the investment is £500 (2021: £500). The carrying amount of the investment is £500 (2021: £500).

11. Stocks

| | 2022 | 2021 |
|------------------|---------------|---------------|
| | £'000 | £'000 |
| Work in progress | <u>34,976</u> | <u>33,035</u> |

12. Debtors

| 2022 | 2021 |
|-------|-------|
| £'000 | £'000 |

Amounts falling due within one year:

| | | |
|------------------------------------|------------|--------------|
| Trade debtors | 261 | 683 |
| Amounts owed by group undertakings | 14 | 369 |
| Other debtors | 541 | 678 |
| | <u>816</u> | <u>1,730</u> |

Amounts falling due after more than one year:

| | | |
|----------------------|---------------------|---------------------|
| Other debtors | 544 | 336 |
| Total debtors | <u>1,360</u> | <u>2,066</u> |

| | 2022 | 2021 |
|--------------------------|---------------------|---------------------|
| | £'000 | £'000 |
| 13. Cash at bank | | |
| Cash at bank and in hand | <u>1,864</u> | <u>7,216</u> |

In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of Cash Flow Statement and related notes.

| | | 2022 | 2021 |
|--|-------------|---------------------|----------------------|
| | Note | £'000 | £'000 |
| 14. Creditors: amounts falling due within one year | | | |
| Payments received on account | | 464 | 394 |
| Trade creditors | | 1,731 | 2,411 |
| Amounts due to joint ventures | | 11 | - |
| Corporation tax | | - | - |
| Other taxation and social security | | 95 | 100 |
| Other creditors | | 40 | 44 |
| Accruals and deferred income | | 3,015 | 3,455 |
| Provisions | | 268 | 314 |
| Other borrowings | 16 | - | 9,500 |
| | | <u>5,624</u> | <u>16,218</u> |

| | | 2022 | 2021 |
|---|-------------|---------------------|-----------------|
| | Note | £'000 | £'000 |
| 15. Creditors: amounts falling due after more than one year | | | |
| Deferred Income * | | 3,876 | - |
| Bank Loans and overdrafts | 16 | 4,000 | - |
| | | <u>7,876</u> | <u>-</u> |

*Bargate has entered into a binding agreement with its parent VIVID Housing Ltd for land acquired as part of an overall development strategy at a site know as Heath House Lane, Hedge End. Bargate has up to 4 years remaining to complete the purchase.

| 16. Loans and overdrafts | 2022 | 2021 |
|---------------------------------|--------------|--------------|
| | £'000 | £'000 |
| Bank Loans | 4,000 | - |
| Other Loans | - | 9,500 |
| | <u>4,000</u> | <u>9,500</u> |
| Payable within one year | - | 9,500 |
| Payable after one year | <u>4,000</u> | <u>-</u> |

Bank loans are secured by fixed and floating charges held over the company assets. The loan attracts interest at 3.25% above SONIA.

Loan notes of £9.5 million included in the above were secured over the assets of the company. The loan notes receive interest at 6% above base rate. They are held by related parties as disclosed in the note 23. All loan notes were redeemed in May 2021.

| 17. Capital commitments – operating leases | 2022 | 2021 |
|---|--------------|--------------|
| | £'000 | £'000 |
| Due within one year | 101 | 101 |
| Due within 2 to 5 years | 405 | 405 |
| Due after 5 years | 185 | 286 |
| | <u>691</u> | <u>792</u> |

| 18. Retirement benefit schemes | 2022 | 2021 |
|---|--------------|--------------|
| | £'000 | £'000 |
| Defined contribution schemes: | | |
| Charge to profit or loss in respect of defined contribution schemes | <u>222</u> | <u>116</u> |

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

19. Share capital

| | 2022 | 2021 |
|---|--------------|--------------|
| | £ | £ |
| Ordinary share capital issued and fully paid | | |
| Ordinary shares of £1 each | 1,639 | 1,639 |
| | <u>1,639</u> | <u>1,639</u> |

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

Dividends

At the balance sheet date, no dividends (2021: no dividends) have been proposed by the directors.

20. Share premium account

This reserve records the amount above the nominal value received for shares sold, less transaction costs.

21. Controlling party

The company is a subsidiary undertaking of VIVID Housing Limited (RS007544).

At 31 March 2022, the ultimate controlling party was VIVID Housing Limited. The group accounts are prepared by VIVID Housing and a copy of the accounts can be obtained at the registered office, Peninsular House, Wharf Road, Portsmouth, Hampshire, PO2 8HB.

22. Related party transactions

The Company has taken advantage of the exemption contained in FRS102 1.12(e) section 33.1a from reporting related party transactions with intergroup entities.

The directors are considered to be the only key management personnel. The remuneration of the directors is given in the note 5.

During the year, the company repaid loan notes totalling £9,500,000 as disclosed in Note 16, to the following related parties:

- £1,450,000 to Mr G Price. Mr Price earned interest on money lent to the company of £12,522 (2021: £89,603). Interest of £nil (2021: nil) remained payable at the year end
- £750,000 to Mrs S Price. Mrs Price earned interest on money lent to the company of £6,477 (2021: £46,346). Interest of £nil (2021: nil) remained payable at the year end.
- £7,300,000 to Prowting Investments PLC, a former shareholder. Prowting Investments PLC earned interest on money lent to the company of £62,481 (2021: £447,587). Interest of £nil (2021: nil) remained payable at the year end.

During the period the company paid rent to The Bargate Pension Scheme totalling £9,600 (2021: £16,858).

At the balance sheet date the company was owed £nil (2021: (£64,594)) by BB Property Ventures Limited.