REGISTERED NUMBER: 04179330 (England and Wales)

Weston Group Plc

Group Strategic Report, Report of the Directors and

Consolidated Financial Statements for the Year Ended 31 July 2021

Weston Group Plc

Contents of the Consolidated Financial Statements
for the Year Ended 31 July 2021

Weston Group Plc

Company Information
for the Year Ended 31 July 2021

Directors:	R P Weston S P Bickel S R Thomas P Gore J E Stock S M Aplin R J Downing (Non-executive) M A Chapman (Non-executive) S A Miles-Brown (Non-executive) A R Taylor (Non-executive)
Secretary:	R P Weston
Registered office:	The Weston Group Business Centre Parsonage Road Takeley Essex CM22 6PU
Registered number:	04179330 (England and Wales)
Independent Auditors:	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors The Maurice Wilkes Building St John's Innovation Park Cowley Road Cambridge Cambridgeshire CB4 0DS

The Directors present their strategic report of the Company and the Group for the year ended 31 July 2021.

Review of business
The Directors are pleased to report an increased profit in a year that held some challenges for the Group.

The construction industry was given specific permission to continue trading throughout the COVID-19 related lockdowns. Having implemented strict social distancing and hygiene measures for our employees, subcontractors and customers, we remained open.

For the Group's largest business, Weston Homes, visitor levels had fallen at the sales and marketing suites compared to pre pandemic levels, however the conversion rate into a sale was higher. Sales rates continued to be strong throughout the year due to the quality and location of the product on offer. This was undoubtedly also assisted by the Government's temporary reduction of stamp duty rates, resulting in the Group reporting one its strongest levels of reservations in the last decade.

As widely reported, the construction industry as a whole has faced challenges in relation to price increases, labour shortages and supply chain issues. The Group has not been immune from this. We have experienced delays to construction programmes, which have affected handovers and therefore completions. Despite this, we delivered an unprecedented number of completions, which generated a strong level of revenue into the business. We continue to operate closely with our suppliers and subcontractors to work together through these times.

During the year, Weston Homes invested significantly to facilitate its future growth, most notably with the acquisition of Abbey Quay in Barking, an exciting development of over 1,000 new homes in a prime location. In addition to this, a resolution to grant planning was received for 1,280 new homes in Goodmayes. There were also a number of successful sales launches during the year, with Tayfields, Bury St Edmunds and Victoria Central, Southend performing exceptionally well. They have been two of the fastest selling sites in the history of the Group.

Stansted Environmental Services, one of the Group's smaller businesses, has performed well in the year, despite a slight reduction in revenue. Weston Business Centres suffered a loss in the year due to occupancy levels. Marketing for office space has been a driver for some months and we are pleased to report that with the relaxation of lockdown and easing of restrictions and guidance of working from home, the occupancy rate has increased since the year end.

The majority of the Group's funding is derived from a Revolving Credit Facility with its syndicate of banks HSBC, Bank of Scotland, Bank of Ireland and Allied Irish Banks. The facility is in place until July 2024. During the year, we secured an additional £19m of funding from HSBC, Bank of Scotland and Allied Irish Banks under the government backed Coronavirus Large Business Interruption Loan Scheme. We thank all of our banking partners for their continued support.

Overall, despite a tough and challenging year in many respects, the business has performed well. It is encouraging to see that demand for our product remains buoyant. Investment for the future is key, and together with our wider stakeholders, we look forward to driving the business forward, in what we expect to be another vigorous 12 months.

Financial results
Revenue increased by £35.3m (19.7%) from £178.8m to £214.1m. The increase in revenue was primarily due to an increase in private residential sales. We achieved 842 completions in the year, representing an increase of 212 or 33.7% on last year's result of 630 completions.

Gross profit has decreased from £22.9m to £22.2m (3.1%) and the margin has decreased from 12.8% to 10.4%. This is predominantly due to a less favourable mix for Weston Homes, where we have an increased proportion of completions at lower margin sites, coupled with a reduction in occupancy levels at Weston Business Centres.

Administrative expenses have decreased by £5.2m (19.5%) from £26.6m to £21.4m, primarily due to a reduction in staff and related costs. Other income in the year was £3.6m, representing three years' Research and Development Expenditure Credit.

Overall, the Group has generated a pre tax profit of £2.5m, representing an increase of £1.9m on the prior year.

Net assets increased by £1.9m (1.8%) from £103.2m to £105.1m. All profits have been retained in the Group and no ordinary dividends have been declared (2020: £nil).

Stock and work in progress has increased by £19.8m from £277.8m to £297.6m. This is predominantly due to the purchase of our Barking site in the year, partly offset with the completion of various other sites.

Net debt has increased by £16.0m from £159.9m to £175.9m. Net cash outflow generated from operating activities was £10.9m, primarily due to the investment in new development sites to facilitate future growth.

Future developments

Our business and the wider market has been significantly impacted by the COVID-19 pandemic. As we enter the autumn and winter months, we feel we are in a much stronger position than previously. Having experienced these unprecedented challenges, we have modelled various adverse scenarios and are well prepared to weather any further downturn, should it come to fruition.

We have witnessed, and expect to continue to witness, cost pressures well into the next year. We do believe sales prices are increasing for the housing market, albeit initially, at a slower rate. Although we are expecting margins in the short term to be adversely affected, we do expect these to improve in the medium term.

We entered the new financial year with in excess of 7,000 dwellings, either with a full planning consent or in the planning process. Forward sales are approaching £200m, which puts the Group in a good place. This, coupled with our banking facilities and balance sheet in excess of £105m, puts the Group in a strong position moving forward.

The Directors continue to consider ways to improve margins and speed of delivery. As such, the Group has significantly invested in the manufacturing and construction business, British Offsite. British Offsite is focused on making the transition to offsite construction. Products include a Uni System range of light gauge panels, walls, roofs and floors, as well internal fit out modules. This offsite method of construction aims to improve onsite efficiencies, the quality of build and delivery of handovers.

To further facilitate future growth, the Group has strengthened its management team with, most notably, a new highly experienced Group Operations Director, Peter Gore.

The Board remains extremely positive for the future but continues to operate cautiously during these uncertain times.

Section 172 statement

The Board of Weston Group Plc recognise their duty, under Section 172 of the Companies Act 2006, to act in a way that they consider in good faith and to promote the success of the Company for the benefit of its members and other key stakeholder Groups. When making decisions the Directors consider the interests of all its key stakeholders.

The stakeholder Groups which the Directors have engaged with and responded to during the year include the following:

Customers: Our dedicated sales teams take our customers through every step of the purchasing process in order to make the process of buying their new accommodation as smooth as possible. By following the Group's strap line of "Built with passion, delivered with pride", the whole process starts with a friendly welcome into our Sales Offices at our developments, where our customers are able to make decisions and choices of finishes and accessories to make their property a home that is special to them.

Employees: Our employees are kept informed of changes and progress happening within the Group via tri-annual staff presentations, regular team meetings, which, amongst other things, concentrate on individual departments' work, and also ease the interaction between the various departments within the Company, to ensure the Company's smooth running.

Suppliers and subcontractors: We aim to build very strong relationships with our suppliers and subcontractors. Each year, we hold a Business Partner Awards, which recognises the valuable contribution our suppliers and subcontractors make at our developments. Numerous awards are made to those suppliers and subcontractors that stand-out during the year.

Funders: The Group maintains very strong and close relationships with all of its funders. Regular communication is undertaken with monthly reports to its bankers and where possible site visits and other informal meetings.

Communities: We aim to engage with the communities within the locations we operate by communicating with them as much as possible. In particular, our planning teams attend consultations with local residents to hear, and resolve, any concerns they may have. As part of the planning process, we work with the Local Authorities to agree S.106 Agreements, to benefit the community, ranging from a financial contribution to the development of a school or community centre.

Shareholders: The Directors maintain close contact with our Shareholders, to keep them informed about how the funds they have provided are being used.

Key performance indicators
The Board monitors and controls the performance of the Group using a number of operational and financial Key Performance Indicators (KPIs). The operational KPIs are focussed around the delivery of high quality homes to our customers in an efficient and timely manner as possible. Targets are set and performance against these is reviewed on a regular basis to ensure we give our customers the best possible experience from the moment they commit to buying a Weston home through to moving in. To achieve this KPIs are set to monitor the timeliness of build handovers, the level of defects, the speed at which customer issues are dealt with, whether the customer would recommend us to a friend and site health and safety. After moving in every customer is asked to complete a customer satisfaction survey and the results of these are reviewed at Board level.

The financial KPIs are designed to measure how the Group is performing against its profitability, unit sales completions, cash and net debt and net asset growth targets. These targets are set at the beginning of the financial year and are kept under constant review by the finance team to ensure that the Group is in compliance with all its banking covenants at all times.

Principal risks and uncertainties
Like all businesses, the Group faces a number of key strategic risks. Some are inherent to the industry and others are more specific. The Board regularly reviews these risks in order to minimise their potential impact. The principal risks are:

Macroeconomic climate and deterioration in the housing market: the house building industry is extremely sensitive to changes in the general economic climate. At the present time this is magnified significantly from the impact of the COVID-19 pandemic and the continued uncertainties surrounding the UK's future relationship with the European Union. Whilst this is outside the Group's control the macroeconomic climate is the most fundamental risk to its continued success. To minimise the impact, product analysis and evolution is a continual process to ensure that the Group is the market leader on quality and value for money. The close monitoring of changing market conditions in each location also allows for quick realignment of price and other incentives to attract potential customers away from competitors and also to satisfy mortgage providers. In addition, we regularly review the cash flow forecast and this gives us a good insight where corrective action is needed to minimise risks.

Availability of mortgage finance: lending criteria for mortgages remains a key issue in the current environment. The availability of such finance is crucial to our customers' ability to purchase our product. To mitigate this risk, we have actively supported government initiatives including 'Help to Buy' to widen our customer base and to maximise the possibility for customers to secure relevant funding. In addition, the Group operates its own 'First Time Secure Buy Scheme', which aims to assist first time buyers enter the property market.

Liquidity and funding: our ability to continue in operation is the access to sufficient short and long term funding. Actual cash balances in hand are confirmed daily. Any shortfalls are made up using the banking facilities which are pre agreed and in place for a number of years. To manage cash flow effectively, detailed forecasts are prepared and reviewed on a regular basis to ensure that sufficient funds are available and that banking covenants are not breached. The Group maintains a strong relationship with its banks, who are provided with detailed forecasts and trading updates on a regular basis.

Interest rate fluctuations: being highly geared, profitability is impacted by interest rate movements. The Group closely monitors movements in interest rates and regularly assesses the impact on the business and the need for the use of suitable hedging instruments.

Build and cost management: delays in the construction process and additional build costs can have an adverse effect on cash flow and profitability. Poor build quality can lead to additional costs being incurred and also tarnish the reputation of the Group. Detailed appraisals are prepared for each development prior to acquisition with cost movements and build programs monitored closely by key personnel across the business each month throughout the build program. Post completion meetings are undertaken for every development. A dedicated Quality Control team rigorously assesses every property and only once signed off can notice be served for that property to complete.

Land supply and planning: failure to purchase sufficient new land for development at the right time and at the right price would adversely affect future profitability. The Group's strength in this respect is in its ability to react swiftly in making quick decisions when a prospective deal is on the table. The length of time a detailed consent can take to achieve is also a major factor to consider in the process. However, with a dedicated in-house planning team, the bottlenecks which can occur in the planning system and delay the process are reduced as far as possible.

Health and safety: providing a safe environment for every individual who either works on or visits our sites is critical to the success of the Group and the Board takes its responsibilities for Health and Safety extremely seriously. A significant incident could put people or the environment at risk adversely affecting the business' reputation. In the light of the COVID-19 pandemic additional monitoring, social distancing and hygiene measures have been put in place on all construction sites and offices to minimise as much as possible the risk of transmission of the virus. A dedicated in-house Health and Safety department operates across the Group to ensure standards are applied and met. There is also a quarterly Health and Safety awards scheme which helps maintain the profile and critical importance to all staff.

Attracting and retaining high-calibre employees: access to an appropriately skilled workforce is essential in maintaining operational performance. An inability to attract, develop or retain good people will inhibit the Group's ability to achieve its strategy. The Group is committed to building careers for life and attract staff through various comprehensive programmes with structured development opportunities. As part of the 5% Club, the Group pledges to have a minimum of 5% of the workforce enrolled in sponsored programmes. There is ongoing monitoring of employee turnover, absence statistics and feedback from exit interviews. Employee engagement surveys are circulated to measure employee satisfaction and remuneration is benchmarked against industry competitors.

Regulatory compliance: failure to adhere to an increasingly stringent planning and regulatory environment could adversely impact the Group's reputation and result in financial implications, including increased direct costs and penalties and delays in production. To mitigate this, the Group engages extensively with planning authorities and other stakeholders to reduce the likelihood and impact of any disruption.

By order of the Board:

R P Weston - Secretary

9 November 2021

The Directors present their report with the financial statements of the Company and the Group for the year ended 31 July 2021.

Principal activity
The principal activity of the Group in the year under review was that of residential property development.

Dividends
No ordinary dividend was declared during the year (2020: £nil).

Directors
The Directors shown below have held office during the whole of the period from 1 August 2020 to the date of this report.

R P Weston
S P Bickel
S R Thomas
J E Stock
R J Downing (Non-executive)
M A Chapman (Non-executive)
S A Miles-Brown (Non-executive)
A R Taylor (Non-executive)

Other changes in Directors holding office are as follows:

J R Lewis - resigned 30 October 2020
S M Aplin - appointed 2 November 2020

P Gore was appointed as a Director after 31 July 2021 but prior to the date of this report.

Going concern
The Directors have assessed the Group's ability to continue as a going concern by stressing its cash flow forecasts and modelling a number of adverse scenarios, including delays in construction, an increase in development costs, reduction in volumes of properties sold and a hybrid of all three. We have also modelled less likely outcomes such as a reduction in property values and the implications of another covid lockdown.

The assessment has considered the possible impact on the Group's operations and its future financial performance over the next 12 months.

Notwithstanding these uncertainties, the Directors have concluded that no breaches in covenants are anticipated and the Group has sufficient cash to manage its working capital needs. The financial statements have therefore been prepared on the going concern basis.

Directors' and officers' indemnity insurance
The Company's parent undertaking has taken out insurance to indemnify, against third party proceedings, subject to the conditions set out in section 234 of the Companies Act 2006, the Directors of the Company whilst serving on the Board of the Company and of any subsidiary. This cover, where relevant, indemnifies all employees of the Group who serve on the Board of all subsidiaries.

Disabled employees
Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Group continues and that any appropriate training is arranged. It is the policy of the Group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of the other employees.

The Group is committed to equality of opportunity and has an active equal opportunities policy, to promote an environment free from discrimination, where everyone will receive equal treatment regardless of their gender, colour, ethnic or national origin, disability, age, marital status, sexual orientation or religion. Recruitment and employment practices are applied which are fair, equitable and consistent to achieve equality of opportunity.

Employee involvement
The Group recognises the importance of its employees and is committed to effective communication and consultation.

Presentations occur throughout the year, to which all employees are invited. The presentations cover progress against targets, financial results, the future and matters affecting the business. This is to ensure all employees are informed and aware of what is going on in the business.

Employee Forums are utilised where practicable to invite wider employee opinion about changes under consideration. Surveys are carried out periodically to gauge employee satisfaction levels and ascertain the focus when improvement is indicated.

Section 172 of the Companies Act 2006
The Directors have considered Section 172 as detailed in the Strategic Report.

Streamlined Energy Carbon Report

This is the Group's second Streamlined Energy Carbon Report (SECR) which covers the year ended 31 July 2021. Energy Consumption and associated emissions have been calculated for all applicable business activities within the UK using recommended methodologies including fleet and meter data. The results have then been compared to the previous year's reported data.

The SECR results are summarised as follows:

Greenhouse Gas Emissions	**Year ended 31/07/21 UK tCO_2e**	**Year ended 31/07/20 UK tCO_2e**
Scope 1		
Emissions from combustion of gas	312.01	91.07
Emissions from combustion of fuel for transport	984.20	821.39
Emissions from other activities which the Company own or control including operation of facilities	1,339.89	1,097.25
Scope 2		
Emissions from purchased electricity – indirect	9.57	2.23
Emissions from purchased gas – indirect	8.05	3.16
Scope 3	0.00	0.00
Total emissions from applicable scopes	**2,653.72**	**2,015.10**
Intensity Ratio		
Tonnes of CO_2e per m^2 of properties achieving legal completion within the reporting period	**0.043**	**0.044**

The total energy consumption used to calculate emissions for gas, electricity and transport for UK based activities amounted to 11,965,003 kWh compared to 9,528,183 kWh in the previous year.

Energy Efficiency Comparisons and Actions

Over the last year the Braintree facilities and their output has increased dramatically and the Takeley Innovation Centre is now fully occupied, resulting in higher energy consumption for these facilities. Counteracting this however, 15 electric vehicles were purchased, staff were furloughed for a short period of time due to Covid 19 and external clients moved out of the Takeley Business Centre whilst it was being refurbished. The increased number of dwellings sold in the period has offset the additional energy consumption resulting in a minor reduction in emissions compared to the previous reporting year. In order to monitor and reduce energy consumption further, the fleet will gradually be replaced with additional electric vehicles, an energy manager has been employed and procedures have been put in place with regards to installing site meters and recording meter data.

Statement of Directors' responsibilities in respect of the financial statements

The Directors are responsible for preparing the Group Strategic report, Report of the Directors and Audited consolidated financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group and the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Under Company law, 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 the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements 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 Group and Company will continue in business.

The Directors are 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.

The Directors are also 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.

Directors' confirmations

In the case of each Director in office at the date the Directors' report is approved:

- so far as the Director is aware, there is no relevant audit information of which the Group's and Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Group's and Company's auditors are aware of that information.

Independent Auditors
The auditors, PricewaterhouseCoopers LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

By order of the Board:

R P Weston - Secretary

9 November 2021

Independent Auditors' Report to the Members of Weston Group Plc

Opinion

In our opinion, Weston Group Plc's Group financial statements and Company financial statements (the "financial statements"):

- give a true and fair view of the state of the Group's and of the Company's affairs as at 31 July 2021 and of the Group's profit and the Group's cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Group Strategic Report, Report of the Directors and Consolidated Financial Statements for the year ended 31 July 2021 (the "Annual Report"), which comprise: the consolidated balance sheet and Company balance sheet as at 31 July 2021; the consolidated statement of comprehensive income, consolidated statement of changes in equity, Company statement of changes in equity and consolidated cash flow statement for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

We remained independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and the 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.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Group's and the Company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic report and Report of the Directors, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Report of the Directors

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Report of the Directors for the year ended 31 July 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Group and Company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Report of the Directors.

Responsibilities for the financial statements and the audit

Responsibilities of the Directors for the financial statements

As explained more fully in the Statement of Directors' responsibilities, the Directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Directors are also responsible for such internal control as they 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 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 Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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.

Based on our understanding of the Group and industry, we identified that the principal risks of non-compliance with laws and regulations related to Health and Safety at work act 1974 and Building regulations including Construction (Design and Management) Regulation 2015, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. 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 the manipulation of results through the posting of manual journals and incorrect estimation of cost to complete. Audit procedures performed by the engagement team included:

- Testing was performed over journals that we identified as potentially unusual journal postings
- Inquiries with management and review of legal and professional fees to identify instances of non-compliance
- Detailed procedures over management's estimation accuracy including lookback tests to assess changes in margins year on year

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:
- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- the Company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Matthew Mullins (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cambridge
11 November 2021

Consolidated Statement of Comprehensive Income
for the Year Ended 31 July 2021

	Notes	2021 £'000	2020 £'000
Turnover	3	214,144	178,848
Cost of sales		(191,896)	(155,973)
Gross profit		22,248	22,875
Administrative expenses		(21,425)	(26,629)
		823	(3,754)
Other operating income	4	3,569	6,616
Operating profit	7	4,392	2,862
Interest receivable and similar income		35	39
Interest payable and similar expenses	8	(1,967)	(2,300)
Profit before taxation		2,460	601
Tax on profit	9	(920)	(408)
Profit for the financial year		1,540	193

The notes form part of these financial statements

Consolidated Balance Sheet
As at 31 July 2021

	Notes	2021 £'000	2020 £'000
Fixed assets			
Intangible assets	11	166	103
Tangible assets	12	13,261	11,741
		13,427	11,844
Current assets			
Stocks	14	297,647	277,811
Debtors	15	12,981	7,832
Cash at bank and in hand		18,846	28,926
		329,474	314,569
Creditors			
Amounts falling due within one year	16	(42,210)	(39,134)
Net current assets		287,264	275,435
Total assets less current liabilities		300,691	287,279
Creditors			
Amounts falling due after more than one year	17	(194,877)	(183,852)
Provisions for liabilities	20	(681)	(237)
Net assets		105,133	103,190
Capital and reserves			
Called up share capital	21	246	246
Capital redemption reserve	22	4,180	4,180
Retained earnings	22	100,707	98,764
Shareholders' funds		105,133	103,190

The financial statements were approved by the Board of Directors and authorised for issue on 9 November 2021 and were signed on its behalf by:

R P Weston - Director

S R Thomas - Director

The notes form part of these financial statements

continued...

Weston Group Plc (Registered number: 04179330)

Company Balance Sheet
As at 31 July 2021

	Notes	2021 £'000	2020 £'000
Fixed assets			
Investments	13	5,089	5,089
Current assets			
Debtors	15	5,274	5,906
Creditors			
Amounts falling due within one year	16	(199)	(934)
Net current assets		5,075	4,972
Total assets less current liabilities		10,164	10,061
Creditors			
Amounts falling due after more than one year	17	(625)	(625)
Net assets		9,539	9,436
Capital and reserves			
Called up share capital	21	246	246
Capital redemption reserve	22	2,880	2,880
Merger reserve	22	4,313	4,313
Retained earnings	22	2,100	1,997
Shareholders' funds		9,539	9,436
Company's (loss)/profit for the financial year		(300)	392

The financial statements were approved by the Board of Directors and authorised for issue on 9 November 2021 and were signed on its behalf by:

R P Weston - Director

J R Thomas - Director

The notes form part of these financial statements

Statements of Changes in Equity
for the Year Ended 31 July 2021

Consolidated	**Called up share capital £'000**	**Retained earnings £'000**	**Capital redemption reserve £'000**	**Total Shareholders' funds £'000**
Balance at 1 August 2019	246	97,847	4,180	102,273
Total comprehensive income	-	193	-	193
Share based payments	-	724	-	724
Balance at 31 July 2020	246	98,764	4,180	103,190
Total comprehensive income	-	1,540	-	1,540
Share based payments	-	403	-	403
Balance at 31 July 2021	246	100,707	4,180	105,133

Company	**Called up share capital £'000**	**Retained earnings £'000**	**Capital redemption reserve £'000**	**Merger reserve £'000**	**Total Shareholders' funds £'000**
Balance at 1 August 2019	246	881	2,880	4,313	8,320
Total comprehensive income	-	392	-	-	392
Share based payments	-	724	-	-	724
Balance at 31 July 2020	246	1,997	2,880	4,313	9,436
Total comprehensive expense	-	(300)	-	-	(300)
Share based payments	-	403	-	-	403
Balance at 31 July 2021	246	2,100	2,880	4,313	9,539

Consolidated Cash Flow Statement
for the Year Ended 31 July 2021

	Notes	2021 £'000	2020 £'000
Cash flows from operating activities			
Cash (used in)/generated from operations	1	(1,710)	4,754
Interest paid		(7,220)	(8,811)
Interest element of hire purchase payments paid		(59)	(77)
Tax paid		(1,918)	(3,166)
Net cash from operating activities		(10,907)	(7,300)
Cash flows from investing activities			
Purchase of intangible fixed assets		(149)	(25)
Purchase of tangible fixed assets		(3,787)	(7,501)
Sale of tangible fixed assets		349	19,515
Interest received		35	39
Net cash from investing activities		(3,552)	12,028
Cash flows from financing activities			
New loans in year		506,547	137,677
Loan repayments in year		(500,000)	(134,894)
Capital repayments in year		(1,246)	(1,276)
Preference shares issued		-	2,500
Non-equity dividends paid		(922)	(789)
Net cash from financing activities		4,379	3,218
(Decrease)/increase in cash and cash equivalents		(10,080)	7,946
Cash and cash equivalents at beginning of year	2	28,926	20,980
Cash and cash equivalents at end of year	2	18,846	28,926

The notes form part of these financial statements

1. Reconciliation of profit before taxation to cash (used in)/generated from operations

	2021	2020
	£'000	£'000
Profit before taxation	2,460	601
Depreciation and amortisation charges	2,610	2,326
Loss/(profit) on disposal of fixed assets	37	(4,980)
Finance costs included in cost of sales	8,284	5,713
Share based payments	403	724
Finance costs	1,967	2,300
Finance income	(35)	(39)
	15,726	6,645
Increase in stocks	(21,261)	(2,190)
(Increase)/decrease in trade and other debtors	(4,220)	1,587
Increase/(decrease) in trade and other creditors	7,950	(1,288)
Increase/(decrease) in provisions for liabilities	95	-
Cash (used in)/generated from operations	(1,710)	4,754

2. Cash and cash equivalents

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

	31/7/21	1/8/20
	£'000	£'000
Cash and cash equivalents	18,846	28,926

	31/7/20	1/8/19
	£'000	£'000
Cash and cash equivalents	28,926	20,980

The notes form part of these financial statements

continued...

3. **Analysis of changes in net debt**

	At 1/8/20 £'000	Cash flow £'000	Other non-cash changes £'000	At 31/7/21 £'000
Net cash				
Cash at bank and in hand	28,926	(10,080)		18,846
	28,926	(10,080)		18,846
Debt				
Finance leases	(2,727)	1,246	(645)	(2,126)
Preference shares	(11,525)	-	-	(11,525)
Loans	(174,540)	(6,547)	-	(181,087)
	(188,792)	(5,301)	(645)	(194,738)
Total	(159,866)	(15,381)	(645)	(175,892)

1. **Statutory information**

Weston Group Plc is a private Company, limited by shares, registered in England and Wales. The Company's registered number and registered office address can be found on the Company Information page.

2. **Accounting policies**

Basis of preparing the financial statements
These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS 102) and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Going concern
The financial statements have been prepared on a going concern basis. The Directors consider that it is appropriate for the financial statements to be prepared on this basis having considered all relevant information, including the Group's trading and cash flow forecasts, the trading opportunities available to the Group and the ongoing support of its banks.

Reduced disclosure
The financial statements of the Company are included in the consolidated Group financial statements. In accordance with FRS 102, the Company has taken advantage of the exemption from the preparation of a Cash Flow Statement for the Company.

The Directors have also taken advantage of the exemption available under Section 408 of the Companies Act 2006 and have not presented an income statement or statement of comprehensive income for the Company alone.

Basis of consolidation
The Group financial statements consolidate the financial statements of Weston Group Plc and its subsidiary undertakings drawn up to 31 July 2021.

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect the returns through its power over the entity. The acquisition date is the date on which control is transferred to the acquirer. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group. All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

continued...

2. **Accounting policies - continued**

Significant judgements and estimates
The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date. However, the nature of estimation means that actual outcomes could differ from those estimates.

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

(a) Carrying value of development land and buildings
Stocks include work in progress in respect of development land and buildings. Judgement is required to assess whether the cost being carried in the balance sheet is in excess of its net realisable value for each development site. This is achieved through regular monitoring of each site's financial appraisal as it moves through the development cycle.

(b) Revenue recognition
When a contract is judged to be a construction contract, revenue is recognised over time as the performance obligations are satisfied as construction progresses. The Group considers the terms of the contract to identify projects as construction contracts. Judgement is required to assess the percentage completion on each contact as this involves estimating the total expected costs to completion and hence the profit recognised in a particular accounting period.

Turnover and profit recognition
Turnover and profit is recognised at the point of legal completion of each property except for construction contracts. Profit on construction contracts is taken as the work is carried out if the final outcome can be assessed with reasonable certainty. These contracts are primarily for affordable homes and the profit is calculated to reflect the proportion of the work carried out at the year end, by recording turnover and related costs as contract activity progresses. Turnover is calculated as that proportion of total contract value which costs incurred to date bear to total expected costs for that contract. Full provision is made for losses on all contracts in the year in which they are first foreseen.

Intangible assets
Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Development costs are being amortised evenly over their estimated useful life of ten years.

Computer software is being amortised evenly over its estimated useful life of three years.

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Land and buildings	-	Straight line over 15 years
Leasehold property improvements	-	Shorter of the lease term or 10 years
Plant and machinery	-	Straight line over 5/7 years
Motor vehicles	-	Straight line over 4/5 years
Office equipment	-	Straight line over 3/5 years

continued...

2. **Accounting policies - continued**

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 when the performance conditions are met. Where a grant does not specify performance conditions it is recognised when the proceeds are received or receivable.

Stocks
Development land and buildings are valued at the lower of cost and net realisable value and includes the cost of land and direct construction costs, including borrowing costs directly attributable to development of properties. Residual freehold interests are shown separately at cost if a contract has been exchanged for sale to a third party at the balance sheet date. Stocks of raw materials are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Financial instruments
Basic financial assets, including trade and other receivables, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

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

If there is 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.

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow Group Companies and preference shares that are classified as debt, 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 receipts discounted at a market rate of interest.

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

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

Current or deferred taxation assets and liabilities are not discounted.

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

continued...

2. **Accounting policies - continued**

Deferred tax
Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

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

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

Hire purchase and leasing commitments
Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

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

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

Trade and other creditors
Trade and other creditors are measured at amortised cost.

Borrowing costs
Borrowing costs not directly attributable to the development of properties are charged to the income statement as incurred. Borrowing costs that are attributable to the development of properties are capitalised from the date of the initial expenditure until the properties are ready for sale. After this point has been reached, any further borrowing costs charged to such properties are not capitalised but are written off directly to the income statement under finance costs.

Deposits received in advance
Deposits received on reservation and exchange of contracts of open market properties are held within trade and other creditors, until legal completion of the related property.

continued...

3. Turnover

An analysis of turnover by class of business is given below:

	2021 £'000	2020 £'000
Residential and commercial property	189,482	152,461
Construction contracts	16,052	18,954
Freehold reversions	7,213	5,972
Rendering of services	819	1,039
Rental income received	578	422
	214,144	178,848

4. Other operating income

	2021 £'000	2020 £'000
Research and Development Expenditure Credit	3,316	-
Rents received	224	303
Grants received under Coronavirus Job Retention Scheme	29	1,366
Gain on sale of commercial property	-	4,947
	3,569	6,616

5. Employees and Directors

	2021 £'000	2020 £'000
Wages and salaries	21,727	24,125
Social security costs	2,509	2,880
Other pension costs	1,922	1,896
	26,158	28,901

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

	2021 Number	2020 Number
Directors - Company	8	10
Directors - Subsidiaries	8	8
Office	184	205
Site	197	173
Conferences and serviced offices	24	20
Environmental consultancy	18	23
	439	439

continued...

5. **Employees and Directors - continued**

Pensions
The Group operates defined contribution pension schemes in respect of the Directors and employees. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost for the year is disclosed above and there were unpaid contributions at the year end of £220,000 (2020: £Nil).

6. **Directors' emoluments**

	2021	2020
	£'000	£'000
Directors' remuneration	1,639	4,074
Directors' pension contributions to money purchase schemes	53	49

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

	2021	2020
	Number	Number
Money purchase schemes	4	5

Information regarding the highest paid Director is as follows:

	2021	2020
	£'000	£'000
Emoluments	532	1,381
Company contributions to money purchase pension scheme	-	13

Details of Director's remuneration who are considered to be key management personnel of the Company are shown above. Employers National Insurance contributions for these individuals totals £195,534 (2020: £621,811).

7. **Operating profit**

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

	2021	2020
	£'000	£'000
Operating lease rentals	3,258	2,240
Depreciation - owned assets	1,744	1,417
Depreciation - assets on hire purchase contracts	783	793
Loss/(profit) on disposal of fixed assets	37	(33)
Development costs amortisation	1	-
Computer software amortisation	85	116
Audit of the Company and Group financial statements	130	95
Audit-related assurance services	5	5

continued...

8. Interest payable and similar expenses

	2021 £'000	2020 £'000
Bank loans and overdrafts	866	1,278
Other interest payable	120	156
Hire purchase	59	77
Preference dividends	922	789
	1,967	2,300

Reconciliation of finance costs (including non-equity dividends)

	2021 £'000	2020 £'000
Interest paid	8,201	9,677
Movement in prepaid finance costs	669	333
Creditor movement	(43)	416
Movement in interest capitalised in the year	1,424	(2,413)
Total charged to the statement of comprehensive income	10,251	8,013

Split as follows:

	2021 £'000	2020 £'000
Included in cost of sales	8,284	5,713
Included in finance costs above	1,967	2,300
Total charged to the statement of comprehensive income	10,251	8,013

continued...

9. Tax on profit

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	2021 £'000	2020 £'000
Current tax:		
UK corporation tax	2	282
Adjustments in respect of prior periods	570	-
Total current tax	572	282
Deferred tax:		
Deferred tax	216	126
Adjustments in respect of prior periods	24	-
Effect of changes in tax rates	108	-
Total deferred tax	348	126
Tax on profit	920	408

Reconciliation of total tax charge included in Consolidated Statement of Comprehensive Income

The tax assessed for the year is higher (2020: higher) than the standard rate of corporation tax in the UK. The difference is explained below:

	2021 £'000	2020 £'000
Profit before tax	2,460	601
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	467	114
Effects of:		
Expenses not deductible for tax purposes	122	139
Income not taxable for tax purposes	(630)	-
Adjustments to tax charge in respect of previous periods	594	(86)
Dividends not subject to tax	175	150
Share options	84	90
Effect of other tax rates	108	1
Total tax charge	920	408

10. Individual statement of comprehensive income

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

continued...

11. Intangible fixed assets

Group

	Development costs £'000	Computer software £'000	Totals £'000
Cost			
At 1 August 2020	-	741	741
Additions	93	56	149
At 31 July 2021	93	797	890
Accumulated amortisation			
At 1 August 2020	-	638	638
Amortisation for year	1	85	86
At 31 July 2021	1	723	724
Net book value			
At 31 July 2021	92	74	166
At 31 July 2020	-	103	103

12. Tangible fixed assets

Group

	Land and buildings £'000	Leasehold property improvements £'000	Plant and machinery £'000	Motor vehicles £'000	Office equipment £'000	Totals £'000
Cost						
At 1 August 2020	1,089	4,628	10,449	5,311	3,527	25,004
Additions	-	1,099	1,450	1,128	755	4,432
Disposals	-	(795)	(32)	(793)	-	(1,620)
Reclassification/transfer	-	195	-	-	(195)	-
At 31 July 2021	1,089	5,127	11,867	5,646	4,087	27,816
Accumulated depreciation						
At 1 August 2020	235	2,269	5,927	2,311	2,521	13,263
Charge for year	20	374	979	724	430	2,527
Eliminated on disposal	-	(760)	(28)	(447)	-	(1,235)
At 31 July 2021	255	1,883	6,878	2,588	2,951	14,555
Net book value						
At 31 July 2021	834	3,244	4,989	3,058	1,136	13,261
At 31 July 2020	854	2,359	4,522	3,000	1,006	11,741

continued...

12. **Tangible fixed assets - continued**

The carrying value of plant and machinery held under finance leases and hire purchase contracts at 31 July 2021 was £1,786,000 (2020: £2,179,000).

The carrying value of motor vehicles held under finance leases and hire purchase contracts at 31 July 2021 was £1,474,000 (2020: £1,605,000).

The carrying value of office equipment held under finance leases and hire purchase contracts at 31 July 2021 was £nil (2020: £25,000).

13. **Investments**

Company

	£'000
Cost	
At 1 August 2020 and 31 July 2021	5,089
Net book value	
At 31 July 2021	5,089
At 31 July 2020	5,089

continued...

13. **Investments - continued**

The Company holds 100% of the share capital of the following subsidiary undertakings:

Name	**Class of shares**	**Nature of business**
Weston Homes Plc	Ordinary	Property developers
Weston Homes (31 Millharbour) Ltd*	Ordinary	Property developers
Weston Homes (41 Millharbour) Ltd*	Ordinary	Property developers
Weston Homes (Basildon) Ltd*	Ordinary	Property developers
Weston Homes (Battersea) Ltd*	Ordinary	Property developers
Weston Homes (City) Ltd*	Ordinary	Property developers
Weston Homes (Commercial) Ltd*	Ordinary	Property developers
Weston Homes (Housing) Ltd*	Ordinary	Property developers
Weston Homes (Ipswich) Ltd*	Ordinary	Property developers
Weston Homes (Refurbishment) Ltd*	Ordinary	Property developers
Weston Homes (Skyway) Ltd*	Ordinary	Property developers
Stansted Environmental Services Ltd	Ordinary	Environmental consultancy
Weston [Business Centres] Ltd	Ordinary	Conferences and serviced offices
Weston (Aviation) Ltd	Ordinary	Dormant
Weston (Plant Hire) Ltd*	Ordinary	Dormant
Weston Homes Group Ltd	Ordinary	Dormant
Weston (UK) Ltd	Ordinary	Dormant
Weston (Logistics) Ltd	Ordinary	Dormant
Weston Corporation Ltd	Ordinary	Dormant
Ezee Living Ltd	Ordinary	Dormant
British Offsite Ltd	Ordinary	Dormant

* held indirectly

The registered office address for all subsidiary undertakings is The Weston Group Business Centre, Parsonage Road, Takeley, Essex, CM22 6PU.

14. **Stocks**

	Group	
	2021	**2020**
	£'000	**£'000**
Development land and buildings	292,818	272,131
Residual freeholds	1,119	2,227
Consumables	3,710	3,453
	297,647	277,811

Included in development land and buildings are capitalised borrowing costs of £11,287,747 (2020: £12,508,620).

continued...

15. Debtors

	Group		Company	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Trade debtors	2,258	1,999	-	-
Amounts owed by Group undertakings	-	-	5,274	5,779
Amounts recoverable on contracts	672	981	-	-
Other debtors	3,438	2,602	-	120
Tax	1,733	-	-	-
Deferred tax asset	-	-	-	7
Prepayments and accrued income	4,863	1,661	-	-
	12,964	7,243	5,274	5,906
Amounts falling due after more than one year:				
Trade debtors	-	500	-	-
Other debtors	17	89	-	-
	17	589	-	-
Aggregate amounts	12,981	7,832	5,274	5,906

16. Creditors: amounts falling due within one year

	Group		Company	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Preference shares (see note 18)	1,250	1,000	-	-
Hire purchase contracts (see note 19)	1,061	1,195	-	-
Trade creditors	3,201	1,031	-	-
Tax	-	417	13	38
Social security and other taxes	852	961	-	-
Other creditors	2,117	1,163	186	896
Accruals	22,417	22,284	-	-
Deferred income	11,312	11,083	-	-
	42,210	39,134	199	934

continued...

17. **Creditors: amounts falling due after more than one year**

	Group		Company	
	2021	**2020**	**2021**	**2020**
	£'000	**£'000**	**£'000**	**£'000**
Bank loans (see note 18)	177,424	170,255	-	-
Preference shares (see note 18)	10,275	10,525	625	625
Unsecured loans (see note 18)	1,587	1,540	-	-
Hire purchase contracts (see note 19)	1,065	1,532	-	-
Other creditors	4,526	-	-	-
	194,877	183,852	625	625

18. **Loans**

An analysis of the maturity of loans is given below:

	Group		Company	
	2021	**2020***	**2021**	**2020**
	£'000	**£'000**	**£'000**	**£'000**
Amounts falling due within one year or on demand:				
Preference shares	1,250	1,000	-	-
Amounts falling due between one and two years:				
Preference shares	1,000	1,250	-	-
Amounts falling due between two and five years:				
Revolving Credit Facility	158,424	170,255	-	-
Coronavirus Large Business Interruption Loan Scheme	19,000	-	-	-
Preference shares	4,375	3,000	625	-
	181,799	173,255	625	-
Amounts falling due in more than five years:				
Repayable otherwise than by instalments				
Unsecured loan	1,587	1,540	-	-
Preference shares	4,900	6,275	-	625
	6,487	7,815	-	625

continued...

18. **Loans - continued**

The Revolving Credit Facility (RCF) is provided by HSBC, Bank of Scotland, Bank of Ireland and Allied Irish Banks. The facility matures on 15 July 2024 and is shown above net of prepaid finance costs of £2,076,294 (2020: £2,744,926). Interest is charged on this facility at LIBOR plus a margin of 3.5%.

The RCF is secured by guarantees and debentures over the Group's assets and fixed charges over current development sites and is monitored by financial covenants.

The Coronavirus Large Business Interruption Loan Scheme (CLBILS) is provided by HSBC, Bank of Scotland and Allied Irish Banks. The facilities mature on 8 September 2023. Interest is charged on these facilities at either Bank of England base rate or LIBOR, plus a margin of either 2% or 2.75%.

The CLBILS is secured by guarantees and debentures over the Group's assets and fixed charges over current development sites and is monitored by financial covenants.

The preference shares are 8% preference shares of £1 each and are redeemable at the option of the Company on dates agreed with the preference Shareholders in the years 2022 to 2031.

*The 2020 figures have been amended to reflect the correct ageing of the preference shares by reallocating £3,000,000 from between one and two years to between two and five years.

19. **Finance leases and hire purchase contracts**

Minimum lease payments fall due as follows:

	2021 £'000	2020 £'000
Net obligations repayable:		
Within one year	1,061	1,195
Between one and five years	1,065	1,532
	2,126	2,727

The Group has finance lease and hire purchase contracts for various items of plant and machinery and motor vehicles. The Group's obligations are secured by a fixed charge over specific tangible fixed assets.

The difference between total minimum lease payments and the present value of minimum lease payments is immaterial.

There is no material difference between the fair value of the Group's borrowings and their book value.

continued...

20. **Provisions for liabilities**

	Group 2021 £'000	Group 2020 £'000
Deferred tax	448	100
Other provisions	233	137
Aggregate amounts	681	237

Group

	Deferred tax £'000	Other provisions £'000
Balance at 1 August 2020	100	137
Provided during year	-	96
Charge to Statement of Comprehensive Income during year	348	-
Balance at 31 July 2021	448	233

Company

	Deferred tax £'000
Balance at 1 August 2020	(7)
Charge to Income Statement during year	7
Balance at 31 July 2021	-

Other provisions relate to the amounts payable to yield up leasehold properties at the end of the lease terms, in line with covenants contained in the lease.

21. **Called up share capital**

Allotted, issued and fully paid:

Number:	**Class:**	**Nominal value:**	**2021 £'000**	**2020 £'000**
24,500,942	Ordinary	£0.01	245	245
85,884,136	Ordinary B	£0.00001	1	1
			246	246

continued...

21. **Called up share capital - continued**

The Ordinary shares each carry the right to one vote at a general meeting and to receive dividends and participate in any distribution subject to the rights of the redeemable preference shares. They do not confer any rights of redemption.

The Ordinary B shares each carry the right to one vote on a show of hands and one thousand votes per share on a poll vote. The shares carry the rights to receive dividends and participate in any distribution subject to the rights of the ordinary shares. They do not confer any rights of redemption.

During the year the Company repurchased 1,000,245 Ordinary B shares of £0.00001 each for a total consideration of £0.01.

22. **Reserves**

Retained earnings represents the cumulative profit and loss, net of distributions to owners.

The capital redemption reserve represents the nominal value of shares repurchased.

The merger reserve arose due to a business combination under the merger method of accounting.

23. **Commitments and contingent liabilities**

The Group has contingent liabilities in respect of bonds and other agreements entered into in the normal course of business.

The Company has given an unlimited cross guarantee in respect of the bank borrowings of certain Group undertakings. At 31 July 2021 the bank borrowings amounted to £179,500,000 (2020: £173,000,000).

The Company has given guarantees in respect of two operating leases entered into by a subsidiary undertaking of an annual amount of £1,363,000 (2020: £1,363,000.)

24. **Operating lease commitments**

	2021	**2020**
	£'000	**£'000**
Within one year	3,274	3,274
Between one year and five years	14,648	14,716
In more than five years	57,554	60,762
	75,476	78,752

continued...

25. Related party disclosures

Other creditors include the following amounts which are owed to individuals who are Directors of the Company:

	2021 £'000	2020 £'000
R P Weston	20	7
S P Bickel	1	1

Included in creditors within one year and greater than one year are loan balances of £1,587,080 (2020: £1,539,819) and £7,400,000 redeemable 8% preference shares of £1 each (2020: £7,400,000) owed to A E Bickel, who is the mother of S P Bickel, a Director of the Company. During the year £110,672 (2020: £244,845) was paid for the provision of the loan facility and £592,000 (2020: £538,667) in dividends on the redeemable 8% preference shares of £1 each. The dividends are shown under interest payable and similar expenses.

Also included in creditors greater than one year are £3,500,000 redeemable 8% preference shares of £1 each (2020: £3,500,000). Of these, £1,250,000 (2020: £1,250,000) are owed to S P Bickel and his wife L Bickel, £1,250,000 (2020: £1,250,000) are owed to S Hoenig, the sister of S P Bickel and her husband N Hoenig and £1,000,000 (2020: £1,000,000) are owed to A Taylor who is the mother of Andrew Taylor, a Director of the Parent Company and has significant influence over The Taylor Family Trust.

Dividends of £100,000 (2020: £86,667) were paid during the year to S P Bickel and L Bickel and S Hoenig and N Hoenig respectively and £80,000 (2020: £26,667) to A Taylor. The dividends are shown under interest payable and similar expenses.

Included in creditors within one year is a loan balance of £270,534 (2020: £888,181) owed to A Taylor. A Taylor is considered to have significant influence over The Taylor Family Trust, which owns a significant number of the shares of Weston Group Plc.

Also included in creditors within one year in the Company only figures are 625,000 redeemable 8% preference shares of £1 each to the Weston Homes Plc Pension Scheme (2020: 625,000). During the year dividends of £50,000 (2020: £50,000) were paid in respect of these. This is shown under interest payable and similar expenses.

During the year, goods and services to the value of £2,946,014 (2020: £4,583,298), were acquired from R G Taylor Engineering Limited, which is part owned by A Taylor. A Taylor is considered to have significant influence over The Taylor Family Trust, which owns a significant number of the shares of Weston Group Plc, the ultimate Parent Company.

During the prior year a Group Company carried out construction works for J G Y Wood, a former Director of the Company totalling £418,590. No works were carried out during the current year. This transaction was at normal prices and on normal business terms and no amounts were outstanding at the year end.

During the year a Group Company sold a car to M A Chapman, a Director of the Company totalling £20,000 (2020: £nil). This transaction was at normal prices and on normal business terms and no amounts were outstanding at the year end.

During the year a Group Company sold a car to A Thomas who is the wife of S R Thomas, a Director of the Company totalling £9,620 (2020: £nil). This transaction was at normal prices and on normal business terms and no amounts were outstanding at the year end.

continued...

25. **Related party disclosures - continued**

During the year the Company extended loans to a number of its Directors amounting to £nil (2020: £259,236). These loans are interest free and are repayable in the event of their resignation as a Director. Of the total amount of loans given £14,013 (2020: £140,128) was repaid during the year following the resignation of one of the Directors. At the year end £105,095 (2020: £119,108) was still outstanding in respect of these loans.

26. **Ultimate controlling party**

The ultimate controlling parties are R P Weston and The Taylor Family Trust.

27. **Share based payment transactions**

During a previous year the Company made an equity settled share based payment to certain employees of the Group. The shares issued to those employees were B ordinary shares. These shares cannot typically be transferred for 10 years from issue and, in certain circumstances, must be forfeited to the Company if the employee leaves. The B ordinary Shareholders are entitled to dividends in any year after the preference share dividends have been fully paid and £3.5m has been distributed to Ordinary Shareholders in the same period; and a limited return of equity on sale, flotation or liquidation of the Group (the "Exit").

The shares have been valued based on the expected returns, discounted to present value.

The Capital Asset Pricing Methodology was used to help determine an appropriate discount rate to apply to the returns expected to accrue to the B ordinary shares on Exit. The discount rate reflects volatility risk and the level of influence of the holders on the business.

Expected future dividend distributions have been discounted using the Company's cost of equity of 11.5% estimated based on analysis of comparable Companies.

During the year the Company recognised total expenses of £403,244 (2020: £723,938) related to equity-settled share based payment transactions.