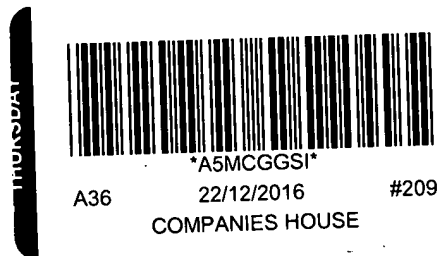




WOKINGHAM HOUSING LIMITED

ANNUAL REPORT AND THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2016



WOKINGHAM HOUSING LIMITED

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WOKINGHAM HOUSING LIMITED

COMPANY INFORMATION

Directors:

A J Auty
D D Chopping
W J Flood
J L Jarvis

Company Secretary:

J J McNiece

Registered Office:

Civic Offices
Shute End
Wokingham
Berkshire
RG40 1BN

Registered Number:

07685172 (England and Wales)

Senior Statutory Auditor:

Martin Howard FCA

Auditors:

Hazlewoods LLP
Registered Auditors
Windsor House
Bayshill Road
Cheltenham
Gloucestershire
GL50 3AT

WOKINGHAM HOUSING LIMITED

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31 MARCH 2016

Directors' Report

The Directors present their report with the financial statements of the company for the year ended 31st March, 2016.

Principal Activities

The main trading activity of Wokingham Housing Limited (WHL) is to provide a range of high quality affordable and market housing for the people of Wokingham Borough and beyond.

Directors

The Directors, who have held office during the year, are as follows:

Name	Date of Appointment	Date of Resignation
W J Flood	29 th May, 2015	
J L Jarvis	2nd July, 2015	
K I McKenzie		15 th May, 2015
R E Fielder		29 th May, 2015
G Cowan		3 rd July, 2015

All the Directors who are eligible offer themselves for re-election at the forthcoming Annual General Meeting. Eligibility for appointment to the Board is based on relevant commercial experience.

Company Secretary

Name	Date of Appointment
J J McNiece	15 th January, 2016

Statement of Going Concern

The Company's business activities together with the factors likely to affect its future development, its financial position, financial risk management objectives, details of its exposure to liquidity and cash flows have been considered by the Directors.

The Directors' Responsibilities

The Directors are responsible for preparing the Report of the Directors 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 International Financial Reporting Standards (IFRS) as adopted by the European Union. 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 estimates that are reasonable and prudent;
- state whether applicable IFRSs, as adopted by the European Union, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the on-going concern basis, unless it is inappropriate to presume that the company will continue in business.

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

WOKINGHAM HOUSING LIMITED

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31 MARCH 2016

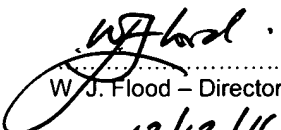
Statement of Disclosure to Auditors

So far as the Directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the Directors have taken all the necessary steps that they ought to have taken as Directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

Small Company Provisions

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

By order of the Board:


.....
W. J. Flood – Director
Date: 12/12/16

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

WOKINGHAM HOUSING LIMITED

FOR THE YEAR ENDED 31 MARCH 2016

We have audited the financial statements of Wokingham Housing Limited for the year ended 31 March 2016 which comprise the Statement of Financial Position, the Statement of Comprehensive Income, the Statement of Cash Flows, the Statement of Changes in Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 3 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2016 and of its Total Comprehensive Income for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
WOKINGHAM HOUSING LIMITED
FOR THE YEAR ENDED 31 MARCH 2016**

Matters on which we are required to report by exception

We have nothing to report in respect of the following:

Under the Companies Act 2006 we are required 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; or
- the Directors were not entitled to prepare the Director's Report in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report.

.....
Martin Howard FCA (Senior Statutory Auditor)

For and on behalf of Hazlewoods LLP
Statutory Auditor
Windsor House
Bayshill Road
Cheltenham
Gloucestershire
GL50 3AT

Date: 16 Dec 2016

WOKINGHAM HOUSING LIMITED

STATEMENT OF ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2016

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRIC interpretation as adopted by the EU and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention, and are presented in Pounds Sterling.

The Company is a private limited company incorporated in England and Wales, and is a wholly owned subsidiary of Wokingham Borough Council which is required to prepare accounts in accordance with IFRS adapted for the UK public sector by the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom Guidance Notes for Practitioners 2015/2016 (the Code). Where possible the Company has selected accounting policies consistent with the Code, however where the Code is not applicable IFRS and IFRIC interpretations as adopted by the EU have been followed.

The company has taken advantage of the exemption provided by IFRS 10 not to prepare group accounts as it is included within the consolidated accounts of the Wokingham Group which are prepared under IFRS. These financial statements therefore cover the individual entity only.

A summary of the more important accounting policies is set out below.

1 Accruals of Income and Expenditure

Activity is accounted for in the year that it takes place and when a right to consideration exists, not simply when cash payments are made or received. In particular:

(a) Income

- Fees, charges and rents due from customers are accounted for as income at the date the Company provides the relevant goods or services;
- Revenue is measured at the fair value of the consideration received or receivable and recognised when prescribed conditions are met, which depend on the nature of the revenue;
- Where income has been recognised but cash has not been received, a debtor for the relevant amount is recorded in the Statement of Financial Position. Where it is doubtful that debts will be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected;
- Where payments are received in advance of a service being provided a receipt in advance is recognised as a creditor in the Statement of Financial Position;
- Income is credited to the relevant revenue account, unless it properly represents capital receipts.

(b) Expenditure

- Supplies and services are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as prepayments in the Statement of Financial Position;
- Works are charged as expenditure when they are completed, before which they are carried as works in progress on the Statement of Financial Position;
- Interest payable on borrowings and receivable on investments is accounted for on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract;
- Where expenditure has been recognised but cash has not been paid, a creditor for the relevant amount is recorded in the Statement of Financial Position;
- Where payments are made in advance of a service being received a payment in advance is recognised as a debtor in the Statement of Financial Position;
- Expenditure is debited to the relevant expense account, unless it properly represents capital expenditure.

WOKINGHAM HOUSING LIMITED

STATEMENT OF ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2016

2. Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of less than 24 hours.

Cash equivalents are investments that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with little risk of change in value.

3. Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors

Adjustments applicable to prior years arising from changes in accounting policies are accounted for by restating the comparative figures for the preceding period and by adjusting opening balances as if the new policy had always been applied.

Changes in accounting estimates are accounted for in the current and future years affected by the change but do not give rise to a prior year adjustment.

Material errors are corrected retrospectively by restating the comparative figures for the preceding period and by adjusting the opening balances.

4. Financial Instruments

i. Financial Liabilities

Financial liabilities are initially measured at fair value and carried at their amortised cost. Annual charges to the Finance Costs section of the Comprehensive Income Statement for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

For most of the borrowings that the Company has, this means that the amount presented in the Statement of Financial Position is the outstanding principal repayable (plus accrued interest) and interest charged to the Comprehensive Income Statement is the amount payable for the year according to the loan agreement.

The Company does not issue bonds.

Gains and losses on the repurchase or early settlement of borrowing are credited and debited to the Finance Costs section of the Comprehensive Income Statement in the year of repurchase / settlement. However, where repurchase has taken place as part of a restructuring of the loan portfolio that involves the modification or exchange of existing instruments, the premium or discount is respectively deducted from or added to the amortised cost of the new or modified loan and the write-down to the Comprehensive Income Statement is spread over the life of the loan by an adjustment to the effective interest rate.

ii. Financial Assets

Financial assets are classified as loans and receivables (assets that have fixed or determinable payments but are not quoted in an active market)

Loans and receivables are initially measured at fair value and are subsequently carried at their amortised cost. Annual credits to the Financing and Investment section of the Comprehensive Income Statement for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the loans that the Company has made, this means that the amount presented in the Statement of Financial Position is the outstanding principal receivable (plus accrued interest) and interest credited to the Comprehensive Income Statement is the amount receivable for the year in the loan agreement.

Any gains and losses that arise on the de-recognition of the asset are credited / debited to the Financing and Investment section of the Comprehensive Income Statement.

Where the Company may make loans at less than market rates, these are called soft loans. Due to the low value of advances made which may be considered as soft loans, the Company applies de minimis principles to soft loans.

WOKINGHAM HOUSING LIMITED

STATEMENT OF ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2016

5. Inventories and Long-Term Contracts

Inventories held by the Company will be included in the Statement of Financial Position at the lower of cost and net realisable value. The cost of inventories is assigned using the weighted average costing formula.

A long-term contract is 'A contract entered into for the design, manufacture or construction of a single substantial asset or the provision of a service (or of a combination of assets or services which together constitute a single project) where the time taken substantially to complete the contract is such that the contract activity falls into different accounting periods'. Long-term contracts are charged to the Comprehensive Income Statement with the value of works and services received under the contract during the financial year and long-term capital contracts are charged on the basis of the valuation certificate.

6. Overheads and Support Services

Costs relating to finance and legal services for example are purchased as a supply and are part of the Company's operating costs.

7. VAT

VAT payable is included as an expense, only to the extent that it is irrecoverable. VAT receivable is excluded from income.

8. Corporation Tax

Corporation Tax is accounted for in the Comprehensive Income Statement on an accrued basis using an estimate of corporate tax liability for the year. Any losses are offset against future profits.

9. Employee Benefits

i. Benefits Payable During Employment

Short term employee benefits are those to be settled within 12 months of the year end, for example wages and salaries, paid annual and sick leave, bonuses and non-monetary benefits such as cars. They are charged to the accounts in the period within which the employees worked. An accrual is made for the cost of any leave earned but not taken before the year end and which can be carried forward by the employee into the next financial year. The accrual is made at the wages and salaries rate in the new financial year as that will be when the employee will benefit. The charge is made to the Comprehensive Income Statement.

ii. Termination Benefits

Amounts payable as a result of a decision by the Company to terminate an Employee's employment before the normal retirement date or an Employee's decision to accept voluntary redundancy are charged on an accruals basis to the Comprehensive Income Statement.

iii. Post-Employment Benefits

The Company pays into Stakeholder Schemes into which a Director and employee also contribute. The employee benefit expense is recognised as it falls due.

10. Government Grants and Contributions

Wokingham Borough Council prepares its accounts in accordance with IFRS adapted for the UK public sector by the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom Guidance Notes for Practitioners 2015/2016 (the Code). Its treatment of Government Grants requires them to be reversed out of the Comprehensive Income Statement so that it does not affect Council Tax calculations. WHL treatment differs from WBC's as it has followed IAS 20 which allows Government Grants to be deducted in arriving at the carrying amount of an asset. Within the Group consolidation by WBC, WHL's treatment is reversed to comply with the Code.

Whatever their basis of payment, government grants and other contributions or donations are accounted for on an accruals basis. Revenue grants are recognised in the Comprehensive Income Statement once the conditions for their receipt have been complied with and there is reasonable assurance that the grant or contribution will be received. Where conditions have not been satisfied, the grant or contribution is carried in the Statement of Financial Position as a creditor.

Capital grants are also carried as a creditor in the Statement of Financial Position where the conditions have not been satisfied. Once conditions are satisfied, they are presented in the Statement of Financial Position as a deduction in arriving at the carrying amount of the asset. Capital grants cannot be deferred to match against the depreciation of the underlying asset the grant was used for.

Donated assets transferred to the Company for nil consideration are recognised at fair value in the Comprehensive Income Statement once any conditions attaching to them have been met.

WOKINGHAM HOUSING LIMITED

STATEMENT OF ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2016

11. Charges to the Comprehensive Income Account for Non-Current Assets

The Comprehensive Income Account is charged with the following amounts to record the cost of holding fixed assets during the year:

- depreciation attributable to the assets used by the company.
- revaluation and impairment losses on assets used where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off
- amortisation of intangible fixed assets

12. Property, Plant and Equipment (PPE)

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment.

i. Recognition

Items of PPE that qualify for recognition will be measured at cost and capitalised on an accruals basis. Cost is defined as either purchase price, costs attributable to bringing the asset to location and condition necessary for it to be capable of operating in the manner intended by management or the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

ii. De-Minimis

Capitalisation of expenditure on PPE is not necessary where the amounts involved are not material to the true and fair presentation of the financial position and transactions of the Company and to an understanding of the Statement of Accounts by a reader. The Company has agreed a de-minimis level of £10,000 for expenditure to be capitalised.

iii. Measurement

Assets will be disclosed and valued on the Statement of Financial Position on the following bases:

Asset Category	Valuation Method
Assets under Construction	Depreciated Historic Cost
Infrastructure Assets	Depreciated Historic Cost

iv. Depreciation

Depreciation is provided for on all Property, Plant and Equipment with a finite useful life, which is determined at the time of acquisition or revaluation. An exception is made for assets without a determinable useful life (e.g. freehold land and some community assets) and assets not yet available for use (e.g. Assets under Construction). The useful lives of assets are estimated on a realistic basis and are reviewed regularly and, where necessary, revised. Where the useful life of a fixed asset is revised, the carrying amount of the fixed asset is depreciated over the revised remaining useful life.

Depreciation is calculated on the amount at which the asset is included in the Statement of Financial Position, whether current cost or historical cost. Depreciation has been calculated as follows:

- All assets are depreciated on a straight line basis over the useful life of the asset taking into account land value and residual value with the exception of vehicles which are depreciated on a reducing balance method.
- Newly acquired assets are not depreciated in the year of acquisition, while assets under construction are only depreciated once the asset becomes operational.

A change from one method of providing depreciation to another is only made where the new method will give a fairer presentation of the results and of the financial position. Such a change does not, however, constitute a change of accounting policy; the carrying amount of the fixed asset is depreciated using the revised method over the remaining useful life, beginning in the period in which the change is made.

v. Impairment

The value at which each category of assets is included in the Statement of Financial Position is reviewed at each year-end. Where there is reason to believe that its value has changed materially in the period, the recoverable amount of the asset is estimated and where this is less than the carrying amount, an impairment loss is recognised for the shortfall. Events and changes in circumstances that indicate a reduction in value may have incurred include:

- a significant decline in an asset's market value during the period
- evidence of obsolescence or physical damage to the asset
- a significant adverse change in the statutory or other regulatory environment in which the Company operates
- a commitment by the Company to undertake a significant reorganisation.

Once the amount of impairment is established, they are accounted for as follows:

- where there is a balance of revaluation gains for asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance up to the amount of the accumulated gains
- if there is insufficient or no balance in the Revaluation Reserve, the carrying amount of the asset is written down and charged to the Comprehensive Income Statement

Where an impairment loss is subsequently reversed, the reversal is credited to the Comprehensive Income Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

13. Interests in Companies and Other Entities

The Company has 100% ownership in one company, Loddon Homes Limited. In the Company's own single-entity accounts, the interests in companies and other entities are recorded in the Statement of Financial Position. If the Company has share capital, it is shown as financial assets at cost less any provision for losses. The Company records the name, business, shareholding, net assets and results of operations and other financial transactions of any related companies including cross-reference to where the accounts of the related companies may be acquired.

14. Leases

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases. Where a lease covers both land and buildings, they are considered separately for classification.

Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets.

i. The Company as Lessee

Finance Leases

Property, plant and equipment held under finance leases is recognised on the Statement of Financial Position at the commencement of the lease at its fair value measured at the lease's inception (or the present value of the minimum lease payments, if lower). The asset recognised is matched by a liability for the obligation to pay the lessor.

Initial direct costs of the Company are added to the carrying amount of the asset. Premiums paid on entry into a lease are applied to writing down the lease liability. Contingent rents are charged as expenses in the periods in which they are incurred.

Rentals payable are apportioned between:

- a charge for the acquisition of the interest in the property (recognised as a liability in the Statement of Financial Position at the start of the lease, at the lower of its fair value at inception or the present value of the minimum lease payment, matched by a liability for the obligation to pay the lessor – the liability is written down as the rent becomes payable), and
- a finance charge (debited to the Comprehensive Income Statement as the rent becomes payable).

Assets recognised under finance leases are accounted for using the policies applied generally to Property, Plant and Equipment, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life.

WOKINGHAM HOUSING LIMITED

STATEMENT OF ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2016

Operating Leases

Where assets are acquired by the Company (as a lessee) under operating leases, the leasing rentals payable are charged to the Comprehensive Income Statement as they are made.

Any hire purchase contracts that have similar characteristics to an operating lease are accounted for as an operating lease and disclosed in a note to the Statement of Financial Position.

ii. The Company as Lessor

Finance Leases

Where the Company grants a finance lease over a property or an item of plant or equipment, the relevant asset is written out of the Statement of Financial Position as a disposal. At the commencement of the lease, the carrying amount of the asset in the Statement of Financial Position (whether Property, Plant and Equipment or Assets Held for Sale) is written off in the Comprehensive Income Statement as part of the gain or loss on disposal. A gain, representing the Company's net investment in the lease, is credited to the same line in the Comprehensive Income Statement also as part of the gain or loss on disposal (ie netted off against the carrying value of the asset at the time of disposal), matched by a lease (long-term debtor) asset in the Statement of Financial Position.

Operating Leases

An asset held by the Company for use in operating leases by a lessor is retained in the Statement of Financial Position and depreciated over its useful life. Rental income from operating leases, excluding charges, should be recognised in the Comprehensive Income Statement on a straight-line basis over the term of the lease, even if this does not match the pattern of the payments.

WOKINGHAM HOUSING LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2016

	Notes	1 st April, 2015 to 31 st March, 2016 £	1 st April, 2014 to 31 st March, 2015 £
Revenue		26,041	24,291
Employee Costs	5	(240,076)	(185,819)
Other Expenses	6	(303,599)	(155,330)
Loss from Operations		(517,634)	(316,858)
Finance Costs		(32,979)	(19,480)
Profit on Disposal of Asset		-	263,539
Loss before Income Taxes from Continuing Operations		(550,613)	(72,799)
Taxation	17	-	-
Loss and total comprehensive income attributable to shareholders		(550,613)	(72,799)

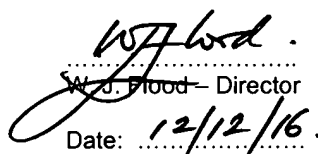
The accounting policies on pages 6–12 and the notes on pages 16–21 are an integral part of these financial statements

WOKINGHAM HOUSING LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2016

	Notes	31 st March, 2016 £	31 st March, 2015 £
Assets:			
Non-Current Assets			
Property, Plant and Equipment	10	2,649,618	745,301
Financial Assets	20	1	1
		<u>2,649,619</u>	<u>745,302</u>
Current Assets			
Trade and Other Receivables	7	1,637,134	1,597,842
Cash and Cash Equivalents	8	588,552	185,804
		<u>2,225,686</u>	<u>1,783,646</u>
TOTAL ASSETS		<u>4,875,305</u>	<u>2,528,948</u>
Current Liabilities			
Financial Liabilities - Borrowing	18	-	612,715
Trade and Other Payables	9	1,281,394	615,424
		<u>1,281,394</u>	<u>1,228,139</u>
Net Current Assets		<u>944,292</u>	<u>555,507</u>
Non-Current Liabilities			
Financial Liabilities - Borrowing	18	2,843,715	-
		<u>2,843,715</u>	<u>-</u>
TOTAL LIABILITIES		<u>4,125,109</u>	<u>1,228,139</u>
Net Assets		<u>750,196</u>	<u>1,300,809</u>
Equity:			
Retained Deficit	13	(1,149,804)	(599,191)
Share Capital	11	1,900,000	1,900,000
Total Equity		<u>750,196</u>	<u>1,300,809</u>

The financial statements were approved by the Board of Directors and signed on its behalf by:

Approved on behalf of the board


W.J. Flood – Director
Date: 12/12/16

The accounting policies on pages 6–12 and the notes on pages 16-21 are an integral part of these financial statements

WOKINGHAM HOUSING LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2016

	Retained Earnings £	Share Capital £	Total £
Balance at 31st March, 2014	(526,392)	1,900,000	1,373,608
Comprehensive Income Loss	(301,192)	-	(301,192)
Other Comprehensive Income	228,393	-	228,393
Balance at 31st March, 2015	(599,191)	1,900,000	1,300,809
Comprehensive Income Loss	(550,613)	-	(550,613)
Other Comprehensive Income	-	-	-
Balance at 31st March, 2016	(1,149,804)	1,900,000	750,196

The accounting policies on pages 6–12 and the notes on pages 16-21 are an integral part of these financial statements

WOKINGHAM HOUSING LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2016

	Notes	1 st April, 2015 to 31 st March, 2016 £	1 st April, 2014 to 31 st March, 2015 £
Cash Flows from Operations			
(Loss) from Operations		(517,634)	(316,858)
Change in Trade and Other Receivables	7	(39,292)	157,610
Change in Trade and Other Payables	9	665,969	503,904
Cash Generated from Operations		109,043	344,656
Interest Paid		(32,978)	(19,480)
Net Cash Flows from Operating Activities		76,065	325,176
Cash Flows from Investing Activities			
Purchase of Investments		(1,904,317)	(667,473)
Net Cash Flows from Investing Activities		(1,828,252)	(667,473)
Cash Flows from Financing Activities			
Proceeds from Borrowing		2,231,000	412,715
Net Cash Flows from Financing Activities		2,231,000	412,715
Net Increase in Cash and Cash Equivalents		402,748	70,418
Cash and Cash Equivalents at Beginning of Year		185,804	115,386
Cash and Cash Equivalents at End of Year	8	588,552	185,804

The accounting policies on pages 6–12 and the notes on pages 16-21 are an integral part of these financial statements

WOKINGHAM HOUSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

1 Accounting policies

The accounting policies used to complete this Statement of Accounts are produced in full in section 4.

2 Critical judgements in applying accounting policies

In applying the accounting policies set out earlier, the Company has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are:

Wokingham Borough Council has full control over the operating activities of Wokingham Housing Limited and as such classifies this company as a subsidiary. These financial statements are therefore shown in the consolidated accounts for Wokingham Group.

3 Assumptions made about the future and other major sources of estimation uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions made by Directors about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

There are no items in WHL's Statement of Financial Position at 31st March, 2016 for which there is a significant risk of material adjustment in the forthcoming financial year.

4 Material items of income and expense

Material Items of Income and Expense during 2015/16 which related to WHL's Non-Current Assets are:

- As a property development company, Wokingham Housing Limited at 31st March, 2016, is currently developing one scheme at Phoenix Ave. This is not due for completion until early 2017/18.

5 Staff costs

The Company has incurred the following staff costs in arriving at the profit before taxation:

	1 st April, 2015 to 31 st March, 2016	Period 1 st April, 2014 to 31 st March, 2015
	£	£
Gross Wages and Salaries	183,221	137,204
Bonuses	21,500	19,000
Social Security Costs	18,574	21,089
Pension Costs	13,381	7,314
Staff Professional Fees	551	126
Recruitment Costs	975	1,086
Other Employee Related Costs	1,874	-
	<u>240,076</u>	<u>185,819</u>

The number of employees of the Company at 31st March, 2016 is four (three at 31st March, 2015) this includes the Managing Director of the Company.

Included in the bonuses is a Managing Director's Bonus which is a performance related award that is agreed by the Wokingham Borough Council members who sit on the Board of the Company to provide scrutiny.

The pension cost represents the employer contribution to a Stakeholder pension into which employees also contribute.

WOKINGHAM HOUSING LIMITED
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FOR THE YEAR ENDED 31 MARCH 2016

6 Other expenses

The Company has incurred the following costs in arriving at the profit before taxation:

	1st April, 2015 to 31st March, 2016	1st April, 2014 to 31st March, 2015
	£	£
Premises Costs	11,166	60,135
Transport Costs	4,918	1,202
Telephone & Computer Charges	3,387	1,867
Supplies and Services	278,528	86,966
Auditors' Remuneration – audit services	5,600	5,160
	303,599	155,330

7 Trade and other receivables

These are amounts that were due to WHL in full at the end of the accounting year and are net of doubtful debt provisions. They can be analysed as follows:

	1st April, 2015 to 31st March, 2016	1st April, 2014 to 31st March, 2015
	£	£
VAT Liability	10,466	15,189
Intra-Group Receivables	1,607,843	6,157
Net Trade Debtors	1,618,309	21,346
Owed by WBC	11,000	135
Owed by LHL	4,036	1,570,000
Prepayments	3,789	6,360
Total	1,637,134	1,597,842

Following an assessment of outstanding trade receivables at the year end, no bad and doubtful debt provision was made.

The decision to impair the relevant receivables is based on an independent review of each case on its own merits rather than its ageing profile. The ageing profile of trade debtors is, however, shown below:

	31st March, 2016	31st March, 2015
	£	£
Less than One Month	9,585	5,684
More than One Month	1,598,258	473
	1,607,843	6,157

The prepayments and amounts owed by WBC and LHL do not contain impaired assets.

8 Cash and cash equivalents

The following elements comprise Cash and Cash Equivalents:

	1st April, 2015 to 31st March, 2016	1st April, 2014 to 31st March, 2015
	£	£
Cash at Bank and In Hand	588,552	185,804
Total Cash and Cash Equivalents	588,552	185,804

WOKINGHAM HOUSING LIMITED

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FOR THE YEAR ENDED 31 MARCH 2016

9 Trade and other payables

These are amounts due to be paid by WHL at the end of the accounting year and include:

	31 st March, 2016 £	31 st March, 2015 £
Trade Payables	533,178	61,716
Amounts Owed to parent undertakings	125,618	419,863
Amounts Owed to subsidiary undertaking	6,023	1
Accruals	538,480	89,850
Retentions	78,095	43,994
Total	1,281,394	615,424

10 Property, plant & equipment

The following table summarises the movement in the fair value of property, plant and equipment over the year:

	31 st March, 2016 £	31 st March, 2015 £
Assets under Construction	2,649,618	745,301
Non-Operational Assets	2,649,618	745,301
PPE Balance at the End of the Year	2,649,618	745,301

11 Called up share capital

At 31st March, 2015, 1,900,000 authorised and fully paid Ordinary £1.00 shares were held by WBC (Holdings) Limited and during 2015/16 no further share issues were made. Therefore at 31st March, 2016, 1,900,000 authorised and fully paid Ordinary £1.00 shares were held by WBC (Holdings) Limited.

Each share carries equal rights in respect of voting and sharing in the financial results and residual value upon winding up of the Company.

Issued, called up and fully paid shares are as follows:

	31 st March, 2016 £	31 st March, 2015 £
Ordinary shares of £1 each	1,900,000	1,900,000
Total Share Capital	1,900,000	1,900,000

12 Financial instruments

The following categories of financial instrument are carried in the Statement of Financial Position:

	31 st March, 2016 £	31 st March, 2015 £
Trade and Other Payables	(4,125,109)	(1,228,139)
Trade and Other Receivables	1,637,133	1,597,841
Cash at Bank and in Hand	588,552	185,804

Other Payables represent long-term loans from Wokingham Borough Council of £856,202 for operational purposes and £1,987,513 from WBC (Holdings) Limited via Loddon Homes Limited for capital purposes.

WOKINGHAM HOUSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

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Short term assets and liabilities are carried at cost as this is a fair approximation of their value. The Company's activities expose it to a variety of financial risks:

- credit risk – the possibility that other parties might fail to pay amounts due to the Company
- liquidity risk – the possibility that the Company might not have funds available to meet its commitments to make payments
- re-financing risk – the possibility that the Company might be requiring to renew a financial instrument on maturity at disadvantageous interest rates or terms

Credit Risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Company's customers.

The Company's only exposure to credit risk at 31st March, 2016 arose from the intra-group sale to Loddon Homes Limited of properties at Hillside.

Liquidity Risk

Wokingham Borough Council as the parent company has a comprehensive cash flow management system that seeks to ensure that cash is available as needed. If unexpected movements happen, WBC has ready access to borrowings from the Money Markets and the Public Works Loans Board. There is therefore no significant risk that WHL will be unable to raise finance to meet its commitments under financial instruments.

The Company's only exposure to a liquidity risk at 31st March, 2016 arose from loans from WBC and WBC (Holdings) Limited. The loans from WBC are long term and attract interest at 6%. The loans from WBC (Holdings) Limited are also long term and attract interest at 6% which is capitalised.

13 Retained earnings

	31 st March, 2016 £	31 st March, 2015 £
Opening Balance	(599,191)	(526,392)
Loss for the Year	(550,613)	(72,799)
Closing Balance	<u>(1,149,804)</u>	<u>(599,191)</u>

14 Directors' fees

The Company paid the following amounts to Directors of the Company during the year:

	1 st April, 2015 to 31 st March, 2016 £	1 st April, 2014 to 31 st March, 2015 £
A J Auty	6,499	4,406
D D Chopping	6,430	6,436
G Cowan	1,698	6,436
J A S Halsall	-	969
J L Jarvis	4,851	-
	<u>19,478</u>	<u>18,247</u>

Messrs Auty, Chopping and Jarvis are all elected Members of Wokingham Borough Council who have been appointed to the board of the company. They are paid Members Allowances by WBC for sitting on the board of the company, but as they are not employees of the company their costs are treated as supplies. The directors are considered to be the key management personnel of the company.

Mr Halsall is also an elected Member of Wokingham Borough Council who was appointed to the board of WHL but resigned during 2014/15. Similarly, Mr Cowan is an elected Member of Wokingham Borough Council who was appointed to the board of WHL but resigned during 2015/16.

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15 Related party transactions

The Company has applied the exemption available in paragraph 25 of IAS 24, and has therefore not provided detailed disclosure of its transactions with Wokingham Borough Council and other companies under the control of Wokingham Borough Council.

A summary of the Company's transactions with Wokingham Borough Council (WBC) and other companies controlled by Wokingham Borough Council is shown below:

- WBC provides various support services to the Company, which are included in 'other expenses'. Amounts owed to WBC in respect of these services are included in 'trade and other payables';
- WBC has provided loans to the Company, as described in note 18. Interest on the loan is included within 'finance costs';
- WBC (Holdings) Limited has provided loans to the Company, as described in note 18. The interest is capitalised.
- The Company obtains services from its subsidiary, Loddon Homes Limited (LHL). Amounts owed to LHL are included in 'trade and other payables';
- The Company provides services to its subsidiary, LHL. Amounts owed by LHL are included in 'trade and other receivables'.

16 Ultimate parent

The Directors of the company regard WBC (Holdings) Limited as the immediate parent of the Company.

The Directors of the company regard Wokingham Borough Council, a local authority in England and Wales, as the ultimate parent of the Company. The Company's results are included in the consolidated financial statements of Wokingham Borough Council. Copies of the Consolidated Group Accounts are available from Wokingham Borough Council, Civic Offices, Shute End, Wokingham, RG40 1BN.

17 Corporation tax

As a result of the current year property trade loss of £550,613, the company is not expected to incur a corporation tax liability on its results for the year ended 31st March, 2016, and all losses will be carried forward to future periods. The company has estimated trading losses of approximately £1,019,000 for which no deferred tax asset has been recognised.

18 Financial liabilities – borrowing

The amounts due for future principal repayment can be summarised as follows:

	31 st March, 2016 £	31 st March, 2015 £
Due in less than 1 year	-	612,715
Total Short Term Borrowing	-	612,715
Due in 1-2 Years	-	-
Due in 3-5 Years	-	-
Due in over 5 Years	2,843,715	-
Total Long Term Borrowing	2,843,715	-
Total Borrowing	2,843,715	612,715

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FOR THE YEAR ENDED 31 MARCH 2016

19 Leases

WHL does not hold any finance leases, as lessee or lessor.

The Company had premises which it leased in from WBC on an operating lease basis for the provision of residential accommodation to vulnerable adults. The term of the lease was for 21 years but was transferred to Loddon Homes Limited with effect from 1st April, 2015. The Company also holds a 125 year lease from WBC for land. However, this lease is considered to be immaterial as it is for a peppercorn rent.

The future minimum lease payments payable under non-cancellable leases in future years are:

	31st March, 2016 £	31st March, 2015 £
Within the next year	-	15,692
Within the next 2-5 years	-	62,770
Beyond 5 years	-	216,659
	<u>-</u>	<u>295,121</u>

The minimum lease payments payable do not include rents that are contingent on events taking place after the lease was entered into, such as adjustments following rent reviews. In 2015/16 £0 contingent rents were payable by the Company (£545 in 2014/15).

Leases Out:

The Company sublet land under an operating lease to Loddon Homes Limited for a period of approximately 123 years. However as this is under a nominal annual rent lease, it is considered to be immaterial.

20 Investments in subsidiaries

The company had the following subsidiary at 31st March, 2016:

Name of Company	Loddon Homes Limited
Country of Incorporation and Place of Business	UK
Nature of Business	Rental of Accommodation
Proportion of Ordinary Shares Directly Held by Company	100%
Net assets	£1
Loss attributable to the Company	£44,768

21 Capital commitments

The company has been contracted by Loddon Homes Limited to provide construction services for two developments at Phoenix Avenue and Fosters Lane. The company has committed with contractors to supply the building of these schemes. Phoenix Avenue has been contracted for a construction amount of £11.1m with £1.6m having been delivered at 31st March, 2016. Fosters Lane has been contracted for a construction amount of £5.9m, however none of this construction was included in the year to 31st March, 2016.