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**WOKINGHAM HOUSING LIMITED**

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**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**



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## WOKINGHAM HOUSING LIMITED

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### COMPANY INFORMATION

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<b>Directors</b>	S N Bailey J S Kaiser R H Roberts D M Sargeant P F Wright
<b>Company secretary</b>	E-J Brewerton
<b>Registered number</b>	07685172
<b>Registered office</b>	Civic Offices Shute End Wokingham Berkshire RG40 1BN
<b>Independent auditors</b>	Haslers Chartered Accountants & Statutory Auditor Old Station Road Loughton Essex IG10 4PL

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**WOKINGHAM HOUSING LIMITED**

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## WOKINGHAM HOUSING LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2021

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The directors present their report and the financial statements for the year ended 31 March 2021.

#### Principal activity

The Company's principal activity is that of the provision of a range of high quality affordable and market housing for the people of Wokingham Borough and beyond.

#### Results and dividends

The profit for the year, after taxation, amounted to £209,472 (2020 - £649,466).

No dividends have been paid during the year and the directors do not propose any dividend.

#### Directors

The directors who served during the year were:

S N Bailey  
J S Kaiser  
R H Roberts  
D M Sargeant  
P F Wright

#### Disclosure of information to auditors

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

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

#### Small companies' exemption note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006. The directors have also taken advantage of the small companies exemption under section 414B in relation to the preparation of a strategic report.

#### Auditors

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

This report was approved by the board on 30 November 2021 and signed on its behalf.



J S Kaiser  
Director

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## **WOKINGHAM HOUSING LIMITED**

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### **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 MARCH 2021**

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The directors are responsible for preparing the Directors' Report and the financial statements, in accordance with applicable law.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRS) in conformity with the requirements of the Companies Act 2006.

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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRS in conformity with the requirements of the Companies Act 2006, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

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## WOKINGHAM HOUSING LIMITED

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### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WOKINGHAM HOUSING LIMITED

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#### Opinion

We have audited the financial statements of Wokingham Housing Limited for the year ended 31 March 2021 which comprise the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies set out on pages 16 - 18. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) in conformity with the requirements of the Companies Act 2006.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs in conformity with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. responsibilities under those standards are further described in the auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

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

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

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

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## WOKINGHAM HOUSING LIMITED

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### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WOKINGHAM HOUSING LIMITED (CONTINUED)

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#### Other information

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

We have nothing to report in this regard.

#### Opinion on other matters prescribed by the Companies Act 2006

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

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

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

#### Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### Responsibilities of directors

As explained more fully in the directors' responsibilities statement on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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## WOKINGHAM HOUSING LIMITED

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### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WOKINGHAM HOUSING LIMITED (CONTINUED)

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

#### **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:

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act and tax legislation etc; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We obtained an understanding of the nature of the company's business and its control environment, and enquired of management about their own identification and assessment of the risks of irregularities and any instances of actual or potential non-compliance.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing this risk we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.



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WOKINGHAM HOUSING LIMITED

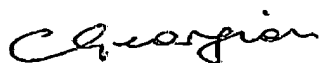
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WOKINGHAM HOUSING LIMITED  
(CONTINUED)

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**Use of our report**

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditors' 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.



Christina Georgiou (Senior Statutory Auditor)

for and on behalf of

**Haslers**

Chartered Accountants  
Statutory Auditor

Old Station Road  
Loughton  
Essex  
IG10 4PL

30 November 2021

**WOKINGHAM HOUSING LIMITED**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2021**

	Note	2021 £	2020 £
<b>Revenue</b>	6	<b>5,894,096</b>	7,323,331
Cost of sales		<b>(5,390,156)</b>	(6,279,915)
<b>Gross profit</b>		<b>503,940</b>	1,043,416
Administrative expenses		<b>(230,333)</b>	(281,494)
<b>Profit from operations</b>		<b>273,607</b>	761,922
Finance expense	9	<b>(64,135)</b>	(112,457)
<b>Profit before tax</b>		<b>209,472</b>	649,465
<b>Profit for the year</b>		<b>209,472</b>	649,465
<b>Total comprehensive income</b>		<b>209,472</b>	649,465

The notes on pages 16 to 29 form part of these financial statements.

**WOKINGHAM HOUSING LIMITED**  
**REGISTERED NUMBER: 07685172**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2021**

	Note	2021 £	2020 £
<b>Assets</b>			
<b>Current assets</b>			
Inventories	11	2,187,983	1,778,371
Trade and other receivables	12	4,499,855	3,828,327
Cash and cash equivalents	19	74,498	85,693
		<u>6,762,336</u>	<u>5,692,391</u>
<b>Total assets</b>		<u>6,762,336</u>	<u>5,692,391</u>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Trade and other liabilities	13	3,944,373	2,765,032
		<u>3,944,373</u>	<u>2,765,032</u>
<b>Current liabilities</b>			
Trade and other liabilities	13	1,147,806	1,466,674
		<u>1,147,806</u>	<u>1,466,674</u>
<b>Total liabilities</b>		<u>5,092,179</u>	<u>4,231,706</u>
<b>Net assets</b>		<u><u>1,670,157</u></u>	<u><u>1,460,685</u></u>

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WOKINGHAM HOUSING LIMITED  
REGISTERED NUMBER: 07685172

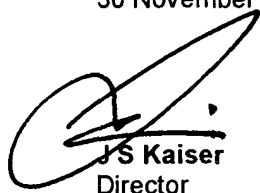
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STATEMENT OF FINANCIAL POSITION (CONTINUED)  
AS AT 31 MARCH 2021

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	Note	2021 £	2020 £
<b>Issued capital and reserves</b>			
Share capital	15	1,900,000	1,900,000
Retained earnings		(229,843)	(439,315)
<b>TOTAL EQUITY</b>		<u>1,670,157</u>	<u>1,460,685</u>

The financial statements on pages 9 to 29 were approved and authorised for issue by the board of directors on 30 November 2021 and were signed on its behalf by:



J S Kaiser  
Director

The notes on pages 16 to 29 form part of these financial statements.

**WOKINGHAM HOUSING LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2021**

	Share capital £	Retained earnings £	Total equity £
<b>At 1 April 2020</b>	1,900,000	(439,315)	1,460,685
<b>Comprehensive income for the year</b>			
Profit for the year	-	209,472	209,472
	<u>-</u>	<u>209,472</u>	<u>209,472</u>
<b>Total comprehensive income for the year</b>			
	<u>1,900,000</u>	<u>(229,843)</u>	<u>1,670,157</u>
<b>At 31 March 2021</b>			

	Share capital £	Retained earnings £	Total equity £
<b>At 1 April 2019</b>	1,900,000	(1,088,781)	811,219
<b>Comprehensive income for the year</b>			
Profit for the year	-	649,465	649,465
	<u>-</u>	<u>649,465</u>	<u>649,465</u>
<b>Total comprehensive income for the year</b>			
	<u>1,900,000</u>	<u>(439,316)</u>	<u>1,460,684</u>
<b>At 31 March 2020</b>			

The notes on pages 16 to 29 form part of these financial statements.

**WOKINGHAM HOUSING LIMITED**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2021**

	2021 £	2020 £
<b>Cash flows from operating activities</b>		
Profit for the year	209,472	649,465
<b>Adjustments for</b>		
Finance expense	64,135	112,457
	<u>273,607</u>	<u>761,922</u>
<b>Movements in working capital:</b>		
Increase in trade and other receivables	(671,531)	(681,525)
Increase in inventories	(409,612)	(399,105)
Decrease in trade and other payables	(168,667)	(568,911)
	<u>(976,203)</u>	<u>(887,619)</u>
<b>Cash generated from operations</b>	<u>(976,203)</u>	<u>(887,619)</u>
<b>Net cash used in operating activities</b>	<u>(976,203)</u>	<u>(887,619)</u>
<b>Cash flows from investing activities</b>		
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	965,029	446,530
Interest paid	(21)	(112,457)
	<u>965,008</u>	<u>334,073</u>
<b>Net cash from financing activities</b>	<u>965,008</u>	<u>334,073</u>
<b>Net cash decrease in cash and cash equivalents</b>	<u>(11,195)</u>	<u>(553,546)</u>
Cash and cash equivalents at the beginning of year	85,693	639,239
<b>Cash and cash equivalents at the end of the year</b>	<u><u>74,498</u></u>	<u><u>85,693</u></u>

The notes on pages 16 to 29 form part of these financial statements.

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## WOKINGHAM HOUSING LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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#### 1. Reporting entity

Wokingham Housing Limited (the 'Company') is a limited company incorporated in the United Kingdom. The Company's registered office is at Civic Offices, Shute End, Wokingham, Berkshire, RG40 1BN. The Company's principal activity is to provide a range of high quality affordable and market housing for the people of Wokingham Borough and beyond.

#### 2. Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations in conformity with the requirements of the Companies Act 2006 (collectively IFRSs). They were authorised for issue by the Company's board of directors on 30 November 2021.

Details of the Company's accounting policies, including changes during the year, are included in note 3.

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

The areas where judgements and estimates have been made in preparing the financial statements and their effects are disclosed in note 5.

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## WOKINGHAM HOUSING LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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#### 2. Basis of preparation (continued)

##### 2.1 Basis of measurement

The financial statements have been prepared on the historical cost basis.

##### 2.2 Changes in accounting policies

###### i) New standards, interpretations and amendments effective from 1 April 2020

- Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)
- Long-term Interests in Associate Definition of a Business (Amendments to IFRS 3s and Joint Ventures (Amendments to IAS 28)
- Covid-19-Related Rent Concessions (Amendment to IFRS 16)
- Definition of Material (Amendments to IAS 1 and IAS 8)

###### ii) New standards, interpretations and amendments not yet effective

The following standards and interpretations to published standards are not yet effective:

New standard, interpretation or amendment	Mandatory effective date (period beginning)
IFRS 17 'Insurance Contracts'	1 January 2021
Deferred Tax related to Assets and Liabilities arising from a Single Transaction	
Amendments to IAS 12	1 January 2023
Definition of Accounting Estimates Amendments to IAS 8	1 January 2023
Disclosure of Accounting Policies Amendments to IAS 1 and IFRS Practice Statement 2	1 January 2023

The directors anticipate that the adoption of these Standards, interpretations and amendments in future periods are unlikely to have a material impact on the results and net assets of the Company.



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## WOKINGHAM HOUSING LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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#### 3. Accounting policies

##### 3.1 Going concern

The Company's financial statements have been prepared on the going concern basis which assumes an ability to continue operating for the foreseeable future.

##### 3.2 Revenue & expenditure

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognises revenue when it transfers control over a product or service to a customer.

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 fair value of the consideration received or receivable and recognised when prescribed conditions are met, which depend on the nature of the revenue.
- Where revenue 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.

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## WOKINGHAM HOUSING LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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#### 3. Accounting policies (continued)

##### 3.3 Employee benefits

###### Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

##### 3.4 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first in, first out basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

##### 3.5 Financial instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

##### 3.6 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

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## WOKINGHAM HOUSING LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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#### 3. Accounting policies (continued)

##### 3.7 Financial liabilities and equity instruments

###### Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

###### *Financial liabilities subsequently measured at amortised cost*

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held for trading, or (iii) designated as at FVTPL, are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

#### 4. Functional and presentation currency

These financial statements are presented in pounds sterling, which is the Company's functional currency. All amounts have been rounded to the nearest pound, unless otherwise indicated.

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## WOKINGHAM HOUSING LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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#### 5. Accounting estimates and judgements

##### 5.1 Judgements

The preparation of the financial statements require management, using their judgement, to make adjustments, estimates and assumptions that affect the amounts reported in the financial statements. There were no critical judgements made in the Financial Statements.

##### 5.2 Estimates and assumptions

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 accounts 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 Wokingham Housing Limited's Statement of Financial Position at 31st March 2021 for which there is a significant material adjustment in the forthcoming financial year.

#### 6. Revenue

The following is an analysis of the Company's revenue for the year from continuing operations:

	2021 £	2020 £
Construction services	5,894,096	7,323,331
	<u>5,894,096</u>	<u>7,323,331</u>

#### 7. Auditors' remuneration

During the year, the Company obtained the following services from the Company's auditors:

	2021 £	2020 £
Fees payable to the Company's auditors for the audit of the Company's financial statements	8,050	7,652
Fees payable to the Company's auditors for non audit services, excluding taxation services	28,656	15,972
Fees payable to the Company's auditors for taxation services	<u>675</u>	<u>650</u>

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**WOKINGHAM HOUSING LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**8. Employee benefit expenses**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Employee benefit expenses (including directors) comprise:</b>		
Wages and salaries	<b>6,000</b>	<b>70,410</b>
National insurance	<b>-</b>	<b>5,928</b>
Defined contribution pension cost	<b>(545)</b>	<b>3,873</b>
	<b>5,455</b>	<b>80,211</b>

**Key management personnel compensation**

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, including the directors of the Company listed on page 1, and the Financial Controller of the Company.

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Salary	<b>6,000</b>	<b>6,469</b>
	<b>6,000</b>	<b>6,469</b>

The monthly average number of persons, including the directors, employed by the Company during the year was as follows:

<b>2021</b>	<b>2020</b>
<b>5</b>	<b>3</b>

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WOKINGHAM HOUSING LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021

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9. Finance income and expense

Recognised in profit or loss

	2021 £	2020 £
<b>Finance expense</b>		
Bank interest payable	21	124
Interest on loans from group undertakings	64,114	112,332
<b>Total finance expense</b>	<b>64,135</b>	<b>112,456</b>
<b>Net finance expense recognised in profit or loss</b>	<b>(64,135)</b>	<b>(112,456)</b>

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021

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10. Tax expense

10.1 Income tax recognised in profit or loss

The reasons for the difference between the actual tax charge for the year and the standard rate of corporation tax in the United Kingdom applied to profits for the year are as follows:

	2021 £	2020 £
Profit for the year	209,472	649,466
<b>Profit before income taxes</b>	<b>209,472</b>	<b>649,466</b>
Tax using the Company's domestic tax rate of 19% (2020:19%)	39,800	123,399
Expenses not deductible for tax purposes, other than goodwill, amortisation and impairment	-	(78,318)
Utilisation of tax losses	(29,966)	(45,081)
Other differences leading to an increase/(decrease) in the tax charge	(104)	-
Group relief claimed	(9,730)	-
<b>Total tax expense</b>	<b>-</b>	<b>-</b>

**Changes in tax rates and factors affecting the future tax charges**

During March 2021 the UK Chancellor of the Exchequer announced an expected change to UK's main corporation tax rate from 19% to 25%. After the year end this was enacted into the Finance Act in June 2021. The rate will increase to 25% from 1 April 2023 and will impact the corporation tax provision of the Company from that date.

11. Inventories

	2021 £	2020 £
Long term contract balances	2,187,983	1,778,371
	<b>2,187,983</b>	<b>1,778,371</b>

**WOKINGHAM HOUSING LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**12. Trade and other receivables**

	2021 £	2020 £
Receivables from related parties	4,025,981	2,680,886
Amounts recoverable from long term contracts	343,836	1,080,845
<b>Total financial assets other than cash and cash equivalents classified as loans and receivables</b>	<b>4,369,817</b>	<b>3,761,731</b>
Prepayments and accrued income	1,923	3,754
Tax recoverable	128,115	62,840
<b>Total trade and other receivables</b>	<b>4,499,855</b>	<b>3,828,325</b>
<b>Total current portion</b>	<b>4,499,855</b>	<b>3,828,326</b>

**13. Trade and other payables**

	2021 £	2020 £
Trade payables	38,233	269,317
Payables to related parties	558,022	681,598
Other payables	335,876	258,602
Accruals	429,576	320,907
<b>Total financial liabilities, excluding loans and borrowings, classified as financial liabilities measured at amortised cost</b>	<b>1,361,707</b>	<b>1,530,424</b>
Other payables - tax and social security payments	50	-
Payables to related parties (debt)	3,730,422	2,701,282
<b>Total trade and other payables</b>	<b>5,092,179</b>	<b>4,231,706</b>
Less: current portion - trade payables	(38,233)	(269,317)
Less: current portion - payables to related parties	(558,022)	(681,598)
Less: current portion - other payables	(121,975)	(194,852)
Less: current portion - accruals	(429,576)	(320,907)
<b>Total current portion</b>	<b>(1,147,806)</b>	<b>(1,466,674)</b>
<b>Total non-current position</b>	<b>3,944,373</b>	<b>2,765,032</b>



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**WOKINGHAM HOUSING LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**14. Loans and Borrowings**

Included in payables to related parties are loans as follows:

	2021 £	2020 £
Loans from related parties	3,730,421	2,701,282
	<u>3,730,421</u>	<u>2,701,282</u>

Interest is charged at 3.5% on this loan.

As the company has no loans where interest is based on LIBOR the company is not impacted by the cessation of LIBOR at the end of 2021.

The carrying value of loans and borrowings classified as financial liabilities measured at amortised cost approximates to their fair value.

**15. Share capital**

**Authorised**

	2021 Number	2021 £	2020 Number	2020 £
<b>Shares treated as equity</b>				
Ordinary Shares shares of £1.00 each	1,900,000	1,900,000	1,900,000	1,900,000
	<u>1,900,000</u>	<u>1,900,000</u>	<u>1,900,000</u>	<u>1,900,000</u>

**Issued and fully paid**

	2021 Number	2021 £	2020 Number	2020 £
<b>Ordinary Shares shares of £1.00 each</b>				
At 1 April and 31 March	<u>1,900,000</u>	<u>1,900,000</u>	<u>1,900,000</u>	<u>1,900,000</u>

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**WOKINGHAM HOUSING LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**16. Reserves**

Cumulative amount of share capital issued and retained earnings.

**Retained earnings**

Cumulative net profit and losses recognised in the Statement of Comprehensive Income net of amounts recognised directly in equity.

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WOKINGHAM HOUSING LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021

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17. Financial instruments - fair values and risk management

17.1 Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

31 March 2021	Note	Amortised cost £	Total £
<b>Financial assets measured at fair value</b>			
		-	-
<b>Financial assets not measured at fair value</b>			
Trade and other receivables	12	4,369,818	4,369,818
Cash and cash equivalents	19	74,498	74,498
		4,444,316	4,444,316
<b>Financial liabilities measured at fair value</b>			
		-	-
<b>Financial liabilities not measured at fair value</b>			
Loan from related parties		(806,343)	(806,343)
Trade payables	13	(806,343)	(806,343)
		(1,612,686)	(1,612,686)

**WOKINGHAM HOUSING LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**17. Financial instruments - fair values and risk management (continued)**

**17.1 Accounting classifications and fair values (continued)**

31 March 2020	Note	Amortised cost £	Total £
<b>Financial assets measured at fair value</b>			
		-	-
<b>Financial assets not measured at fair value</b>			
Trade and other receivables	12	3,761,731	3,761,731
Cash and cash equivalents	19	85,693	85,693
		3,847,424	3,847,424
		-	-
<b>Financial liabilities not measured at fair value</b>			
Loan from associate		(2,701,282)	(2,701,282)
Trade payables	13	(1,530,424)	(1,530,424)
		(4,231,706)	(4,231,706)

**17.2 Credit risk management**

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

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## WOKINGHAM HOUSING LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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#### 17. Financial instruments - fair values and risk management (continued)

##### 17.3 Liquidity risk management

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 movement happen, WBC has ready access to borrowings from the Money Markets and the Public Works Loans Board. There is therefore no significant risk that Wokingham Housing Limited will be unable to raise finance to meet its commitments under financial instruments.

The Company's exposure to a liquidity risk at 31 March 2021 arose from loans from WBC (Holdings) Limited. The loans from WBC (Holdings) Limited are long term and are charged interest at a fixed rate of 5.75% for three years from 1 April 2016 and at a fixed rate of 3.5% thereafter.

#### 18. Related party transactions

The Directors of the Company regard Wokingham Borough Council (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.

During the year Wokingham Housing Limited provided construction services to Loddon Homes Limited totalling £7,534,067 (2020: £5,532,460).

At the 31st March 2021, loans were outstanding (to)/from related parties.

##### 18.1 Loans to/from related parties

	2021 £	2020 £
<b>Long Term Loans</b>		
Wokingham Borough Council	(3,611,776)	(2,701,282)
	<u>(3,611,776)</u>	<u>(2,701,282)</u>
<b>Short Term Loans</b>		
Wokingham Borough Council	(201,228)	(580,157)
WBC (Holdings) Limited	(374,000)	-
Loddon Homes Limited	3,965,770	2,620,675
Berry Brook Homes Limited	(41,229)	(41,229)
	<u>(262,463)</u>	<u>(701,993)</u>

**WOKINGHAM HOUSING LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**19. Notes supporting statement of cash flows**

	2021 £	2020 £
Cash at bank available on demand	74,498	85,693
<b>Cash and cash equivalents in the statement of financial position</b>	<b>74,498</b>	<b>85,693</b>
<b>Cash and cash equivalents in the statement of cash flows</b>	<b>74,498</b>	<b>85,693</b>

**20. Assets pledged as security**

The carrying amounts of assets pledged as security for current and non-current borrowings are:

	2021 £	2020 £
<b>Current</b>		
<b>Floating charge</b>		
Cash and cash equivalents	669,100	85,693
Receivables	1,922	3,754
<b>Total current assets pledged as security</b>	<b>671,022</b>	<b>89,447</b>
<b>Non-current</b>		
<b>First mortgage</b>		
Inventory	2,193,502	1,778,371
	<b>2,193,502</b>	<b>1,778,371</b>
<b>Finance lease</b>		
<b>Floating charge</b>		
<b>Total non-current assets</b>	<b>2,193,502</b>	<b>1,778,371</b>
<b>Total assets pledged as security</b>	<b>2,864,524</b>	<b>1,867,818</b>

**21. Events after the reporting date**

During March 2021 the UK Chancellor of the Exchequer announced an expected change to UK main corporation tax rate from 19% to 25%. After the year end this was enacted into the Finance Act in June 2021. The rate will increase to 25% from 1 April 2023 and will impact the corporation tax provision of the Company from that date.