

Registered number: 00808193

WHEATLEY PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020



WHEATLEY PLC

COMPANY INFORMATION

Directors	J P Woods H W Baker G S Woods C L Stewart M J Foreman
Company secretary	C L Stewart
Registered number	00808193
Registered office	Wheatley House Dunhams Lane Letchworth Garden City Hertfordshire SG6 1BE
Independent auditors	MHA MacIntyre Hudson Chartered Accountants & Statutory Auditors 6th Floor 2 London Wall Place London EC2Y 5AU

WHEATLEY PLC

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WHEATLEY PLC

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2020

Introduction

At the Balance Sheet date the Company is an intermediary holding company. The principal activity of the group headed by the Company continued to be property development.

The Company provides central administrative services for the Group and the Group's activities are central to the business of the company.

Business review

The Group is continuing to purchase residential development sites and to acquire options on longer term sites to ensure continuity of supply. The planning process still inhibits the early start of new schemes despite governmental efforts to speed up the system.

The Company has been successful in gaining planning consent on the Crowland site for 100 units is scheduled to start later in 2020.

The Group is also building in Arlesey, Caldecote and Biggleswade. The group has acquired a site in Henlow with planning for 22 units which will start later in 2020.

Principal risks and uncertainties

The Group faces a number of business risks and uncertainties due to operating in the property development market. In view of this, the Directors have looked carefully at the projects currently in development and at the viability of future acquisitions.

The Group has traded cautiously in the current financial year to take account of the current political uncertainties at national level and latterly the effects of Covid-19.

Financial key performance indicators

The principal Key Performance Indicators being monitored are the control of building costs and the timely completion of work. Labour costs continue to be reviewed resulting in some direct employment of labour rather than the use of subcontract labour which has helped to control costs.

Section 172 statement

The Board of Directors of Wheatley PLC, in line with s172 of the Companies Act 2006, and in promoting the success of the company, act in the way that they consider, in good faith, would be most likely to promote the success of the company for the benefit of all stakeholders. In doing so, they have regard to:

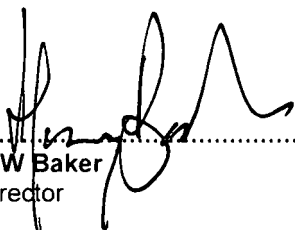
- (a) the likely consequences of any decision in the long term;
- (b) the interests of the company's employees;
- (c) the need to foster the company's business relationships with suppliers, customers and others;
- (d) the impact of the company's operations on the community and the environment;
- (e) the desirability of the company maintaining a reputation for high standards of business conduct and;
- (f) the need to act fairly as between members of the company.

We maintain a culture and have values that are reflected in our decision making. All decisions and matters of strategic importance to Wheatley PLC are informed by these factors and reflected in the strategy, budgets and plans of the company. In particular, all developments are in carefully chosen locations and thoughtfully planned in harmony with surroundings. We adhere to responsible building practices and consider the consequences of all decisions and impact on the environment. We provide employment opportunities, maintain relationships with our customers and suppliers which are fair, and we seek to benefit to the communities in which we are based.

WHEATLEY PLC

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

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



.....
H W Baker
Director

Date: 14.12.2020

WHEATLEY PLC

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2020

The directors present their report and the financial statements for the year ended 31 March 2020.

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

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

Results and dividends

The profit for the year, after taxation, amounted to £335,002 (2019 - £1,125,244).

During the year, dividends of £Nil (2019: £504,103) were paid.

Directors

The directors who served during the year were:

J P Woods
H W Baker
G S Woods
C L Stewart
M J Foreman

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020**

Future developments

The Directors aim to maintain the management policies which have resulted in the Company's success in previous years.

The Commercial Development Company is not currently carrying out any new schemes, but new opportunities will be assessed as they arise.

The Group's residential schemes continued to sell well. The major housing scheme at Buntingford has been very popular and the second phase of 100 units has sold well. Phase three will commence to take over from area two in due course.

The Group is pursuing a number of residential sites subject to obtaining planning consent. Arlesey and Caldecote have sold well and Biggleswade will be released for sale later in 2020.

The planning system continues to be a drag on swift progress despite the government's efforts to simplify and speed the system.

The Group has housing sites at Arlesey, Biggleswade, Caldecote and Henlow and has received planning consent for up to 100 units on its site at Crowland. The Group is confident that Henlow and Crowland will be successful as the other sites.

The Group is constantly reviewing forward planning to take account of the prevailing national political situation and this year, the challenge of Covid-19.

Qualifying third party indemnity provisions

Director's liability and indemnity insurance was in force throughout the year to cover the directors and officers of the company against actions brought against them in their personal capacities. Cover is not provided where the individual has acted fraudulently or dishonestly.

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.

Post balance sheet events

Since the balance sheet date, the company refinanced the loan facility of the bank loan detailed in note 18 of £9,312,500. This new loan facility, for up to £9,250,000, is secured by a fixed and floating charge over the properties to which it relates. The loan is due for repayment on 30 April 2025, and bears a minimum interest rate of 3% per annum.

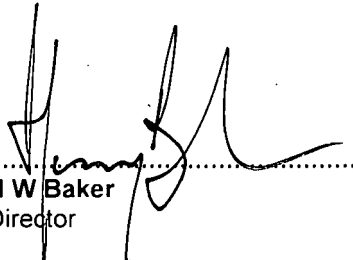
Auditors

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

WHEATLEY PLC

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

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



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H W Baker
Director
Date: 14.12.2020

WHEATLEY PLC

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WHEATLEY PLC

Opinion

We have audited the financial statements of Wheatley Plc (the 'Company') for the year ended 31 March 2020, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of cash flows, the Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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. Our 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WHEATLEY PLC (CONTINUED)

misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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.

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 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WHEATLEY PLC (CONTINUED)

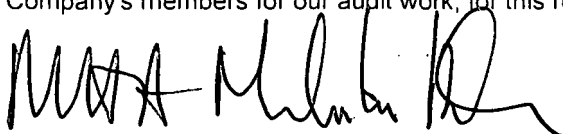
Auditors' responsibilities for the audit of the financial statements

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.

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

Use of our report

This report is made solely to the Company's members 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 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 for our audit work, for this report, or for the opinions we have formed.



Brendan Sharkey FCA (Senior statutory auditor)

for and on behalf of

MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

6th Floor
2 London Wall Place
London
EC2Y 5AU

Date: 17 December 2020

WHEATLEY PLC

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2020**

	Note	2020 £	2019 £
Administrative expenses		(1,910,055)	(2,064,571)
Other operating income	4	2,796,102	2,972,000
Operating profit		886,047	907,429
Income from shares in group undertakings		-	800,000
Interest receivable and similar income	9	1,587	1,982
Interest payable and expenses	10	(470,740)	(508,326)
Profit before tax		416,894	1,201,085
Tax on profit	11	(81,892)	(75,841)
Profit for the financial year		335,002	1,125,244

There was no other comprehensive income for 2020 (2019:£NIL).

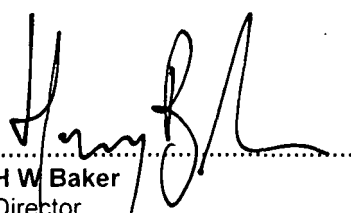
The notes on pages 14 to 26 form part of these financial statements.

WHEATLEY PLC
REGISTERED NUMBER: 00808193

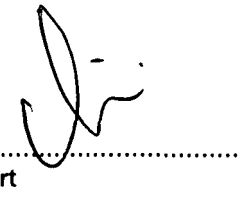
BALANCE SHEET
AS AT 31 MARCH 2020

	Note	2020 £	2019 £
Fixed assets			
Investments	13	2,752,556	2,752,556
		<u>2,752,556</u>	<u>2,752,556</u>
Current assets			
Debtors: amounts falling due within one year	14	19,378,997	20,207,366
Cash at bank and in hand	15	389,834	183,545
		<u>19,768,831</u>	<u>20,390,911</u>
Creditors: amounts falling due within one year	16	(10,640,479)	(1,785,061)
Net current assets		<u>9,128,352</u>	<u>18,605,850</u>
Total assets less current liabilities		<u>11,880,908</u>	<u>21,358,406</u>
Creditors: amounts falling due after more than one year	17	(9,500,000)	(19,312,500)
Net assets		<u><u>2,380,908</u></u>	<u><u>2,045,906</u></u>
Capital and reserves			
Called up share capital	20	826,398	826,398
Capital redemption reserve	21	173,602	173,602
Other reserves	21	17,882	17,882
Profit and loss account	21	1,363,026	1,028,024
		<u><u>2,380,908</u></u>	<u><u>2,045,906</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


H W Baker
Director

Date: 14.12.2020


C L Stewart
Director

Date: 14.12.2020

The notes on pages 14 to 26 form part of these financial statements.

WHEATLEY PLC

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2020**

	Called up share capital	Capital redemption reserve	Other reserves	Profit and loss account	Total equity
	£	£	£	£	£
At 1 April 2018	826,398	173,602	17,882	406,883	1,424,765
Comprehensive income for the year					
Profit for the year	-	-	-	1,125,244	1,125,244
Dividends: Equity capital	-	-	-	(504,103)	(504,103)
At 1 April 2019	826,398	173,602	17,882	1,028,024	2,045,906
Comprehensive income for the year					
Profit for the year	-	-	-	335,002	335,002
At 31 March 2020	826,398	173,602	17,882	1,363,026	2,380,908

The notes on pages 14 to 26 form part of these financial statements.

WHEATLEY PLC

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2020**

	2020 £	2019 £
Cash flows from operating activities		
Profit for the financial year	335,002	1,125,244
Adjustments for:		
Interest paid	470,740	508,326
Interest received	(1,587)	(1,982)
Taxation charge	81,892	75,841
(Increase)/decrease in debtors	(5,776)	-
Decrease/(increase) in amounts owed by groups	834,145	(4,631,664)
(Decrease)/increase in creditors	(244,145)	92,072
Increase/(decrease) in amounts owed to groups	-	(1,853,967)
Corporation tax (paid)	(44,829)	(93,036)
Income from shares in group undertakings	-	(800,000)
Net cash generated from operating activities	1,425,442	(5,579,166)
Cash flows from investing activities		
Interest received	1,587	1,982
Income from shares in group undertakings	-	800,000
Net cash from investing activities	1,587	801,982
Cash flows from financing activities		
New secured loans	-	6,200,000
Repayment of loans	(750,000)	(250,000)
Dividends paid	-	(504,103)
Interest paid	(470,740)	(508,326)
Net cash used in financing activities	(1,220,740)	4,937,571
Net increase in cash and cash equivalents	206,289	160,387
Cash and cash equivalents at beginning of year	183,545	23,158
Cash and cash equivalents at the end of year	389,834	183,545
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	389,834	183,545
	389,834	183,545

The notes on pages 14 to 26 form part of these financial statements.

WHEATLEY PLC

**ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 MARCH 2020**

	At 1 April 2019 £	Cash flows £	Other non- cash changes £	At 31 March 2020 £
Cash at bank and in hand	183,545	206,289	-	389,834
Debt due after 1 year	(19,312,500)	500,000	9,312,500	(9,500,000)
Debt due within 1 year	(250,000)	250,000	(9,312,500)	(9,312,500)
	<u>(19,378,955)</u>	<u>956,289</u>	<u>-</u>	<u>(18,422,666)</u>

The notes on pages 14 to 26 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

1. General information

Wheatley Plc is an unlisted public company, limited by shares, incorporated in England and Wales, registration number 00808193. The registered office is Wheatley House, Dunhams Lane, Letchworth, Herts, SG6 1BE. The principal activity is the sale of real estate.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The financial statements are prepared in pounds sterling, the functional currency, rounded to the nearest £1.

Wheatley Plc is a parent company. These financial statements are for the individual entity. Group accounts are not required as Wheatley Plc and its subsidiaries are consolidated into the financial statements of the ultimate parent company, Wheatley Holdings Limited (see note 25).

The following principal accounting policies have been applied:

2.2 Interest income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

2.3 Finance costs

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.4 Borrowing costs

All borrowing costs are recognised in the Statement of comprehensive income in the year in which they are incurred.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

2. Accounting policies (continued)

2.5 Pensions

Defined contribution pension plan

The Company operates a defined contribution pension plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.6 Taxation

Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

2.8 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

2. Accounting policies (continued)

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

2.10 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.11 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

2. Accounting policies (continued)**2.12 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described above, management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimate and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

The key sources of estimation uncertainty that have a significant effect on amounts recognised in the financial statements are described below:

Investments

Judgements have been made in relation to the valuation of investments in subsidiaries. The directors have concluded that the values are appropriate and there is no required impairment.

4. Other operating income

	2020 £	2019 £
Sundry income	102	-
Fees receivable	2,796,000	2,972,000
	<u>2,796,102</u>	<u>2,972,000</u>

5. Operating profit

The operating profit is stated after charging:

	2020 £	2019 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	8,000	8,000
Defined contribution pension cost	<u>54,218</u>	<u>52,263</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

6. Auditors' remuneration

	2020 £	2019 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>8,000</u>	<u>8,000</u>
Fees payable to the Company's auditor and its associates in respect of:		
All other services	<u>4,638</u>	<u>6,238</u>
	<u>4,638</u>	<u>6,238</u>

7. Employees

Staff costs, including directors' remuneration, were as follows:

	2020 £	2019 £
Wages and salaries	1,411,567	1,537,758
Social security costs	179,157	199,633
Cost of defined contribution scheme	54,218	52,263
	<u>1,644,942</u>	<u>1,789,654</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2020 No.	2019 No.
Employees	<u>21</u>	<u>18</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

8. Directors' remuneration

	2020 £	2019 £
Directors' emoluments	766,953	1,010,278
Company contributions to defined contribution pension schemes	25,217	30,363
	<u>792,170</u>	<u>1,040,641</u>

During the year retirement benefits were accruing to 2 directors (2019 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £351,444 (2019 - £321,234).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £NIL (2019 - £NIL).

The directors are the Key Management Personnel of the company.

9. Interest receivable

	2020 £	2019 £
Other interest receivable	1,587	1,982
	<u>1,587</u>	<u>1,982</u>

10. Interest payable and similar expenses

	2020 £	2019 £
Bank interest payable	470,740	508,326
	<u>470,740</u>	<u>508,326</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

11. Taxation

	2020 £	2019 £
Corporation tax		
Current tax on profits for the year	81,892	75,841
Total current tax	<u>81,892</u>	<u>75,841</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2019 - lower than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Profit on ordinary activities before tax	<u>416,894</u>	<u>1,201,085</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	79,210	228,206
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	-	19
Non-taxable income	-	(152,000)
Changes in provisions leading to an increase (decrease) in the tax charge	2,682	(384)
Total tax charge for the year	<u>81,892</u>	<u>75,841</u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

12. Dividends

	2020 £	2019 £
Ordinary shares	-	504,103
	<u>-</u>	<u>504,103</u>

WHEATLEY PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

13. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2019	2,752,556
At 31 March 2020	<u>2,752,556</u>
Net book value	
At 31 March 2020	<u><u>2,752,556</u></u>
At 31 March 2019	<u><u>2,752,556</u></u>

The registered office of all direct and indirect subsidiary undertakings is Wheatley House, Dunhams Lane, Letchworth, Hertfordshire, SG6 1BE.

WHEATLEY PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

13. Fixed asset investments (continued)**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

Name	Subsidiary	Principal activity	Class of shares	Holding
Wheatley Properties Limited	Direct	Builders and estate developers	Ordinary	100%
Wheatley Group Developments Limited	Direct	Builders and estate developers	Ordinary	100%
Wheatley Homes (Baldock) Limited	Direct	Dormant	Ordinary	100%
Wheatley Homes (PPE) Limited	Direct	Dormant	Ordinary	100%
Wheatley (Buntingford) Limited	Indirect	Builders and estate developers	Ordinary	100%
Wheatley Homes Limited	Indirect	Property marketing	Ordinary	100%
Wheatley Winton Hayes Limited	Indirect	Building and construction industry	Ordinary	100%
Wheatley Commercial Developments Limited	Indirect	Builders and estate developers	Ordinary	100%
Constantine Plant Company Limited	Indirect	Dormant	Ordinary	100%
Wheatley Homes (Southern) Limited	Indirect	Dormant	Ordinary	100%
Berkhamsted Trading Company Limited	Indirect	Dormant	Ordinary	100%
Maguire & Woods Construction Limited	Indirect	Dormant	Ordinary	100%
Winton Hayes Finance Limited	Indirect	Dormant	Ordinary	100%
Aspenden Trading Limited	Indirect	Dormant	Ordinary	100%
Winton Hayes (Midlands) Limited	Indirect	Dormant	Ordinary	100%

14. Debtors

	2020 £	2019 £
Trade debtors	342	-
Amounts owed by group undertakings	19,373,221	20,207,366
Prepayments and accrued income	5,434	-
	<u>19,378,997</u>	<u>20,207,366</u>

WHEATLEY PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

15. Cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	389,834	183,545
	<u>389,834</u>	<u>183,545</u>

16. Creditors: Amounts falling due within one year

	2020 £	2019 £
Bank loans (note 18)	9,312,500	250,000
Trade creditors	6,649	13
Amounts owed to group undertakings	694,204	694,204
Corporation tax	81,892	44,829
Other taxation and social security	68,911	67,380
Other creditors	26,255	25,047
Accruals and deferred income	450,068	703,588
	<u>10,640,479</u>	<u>1,785,061</u>

Security over bank loans is detailed in Note 18.

17. Creditors: Amounts falling due after more than one year

	2020 £	2019 £
Bank loans (note 18)	9,500,000	19,312,500
	<u>9,500,000</u>	<u>19,312,500</u>

Security over bank loans is detailed in Note 18.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

18. Loans

Analysis of the maturity of loans is given below:

	2020 £	2019 £
Amounts falling due within one year		
Bank loans	9,312,500	250,000
	<u>9,312,500</u>	<u>250,000</u>
Amounts falling due 1-2 years		
Bank loans	9,500,000	250,000
	<u>9,500,000</u>	<u>250,000</u>
Amounts falling due 2-5 years		
Bank loans	-	19,062,500
	<u>-</u>	<u>19,062,500</u>
	<u>18,812,500</u>	<u>19,562,500</u>

Secured Loans

The bank borrowings are secured by a fixed charge over a number of properties both completed and under construction included in stock and tangible fixed assets of other group companies. They are also the subject of an unlimited cross guarantee by the holding company and subsidiary companies.

WHEATLEY PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

19. Financial instruments

	2020 £	2019 £
Financial assets		
Financial assets measured at fair value through profit or loss	389,834	183,545
Financial assets that are debt instruments measured at amortised cost	19,373,563	20,207,366
	<u>19,763,397</u>	<u>20,390,911</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(19,989,676)</u>	<u>(20,985,352)</u>

Financial assets measured at fair value through profit or loss comprise cash at bank and in hand.

Financial assets that are debt instruments measured at amortised cost comprise trade debtors and amounts owed to group undertakings.

Financial liabilities measured at amortised cost comprise bank loans, trade creditors, amounts owed to group undertakings, other creditors and accruals and deferred income.

20. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
826,398 (2019 - 826,398) Ordinary shares of £1.00 each	<u>826,398</u>	<u>826,398</u>

21. Reserves**Capital redemption reserve**

The capital redemption reserve of £173,602 (2019: £173,602) is represented by the redemption of Ordinary shares and is not distributable.

Other reserves

Other reserves relate to non-distributable reserves.

Profit and loss account

The profit and loss account is represented by retained earnings. Changes in reserves are set out in the Statement of Changes in Equity.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

22. Pension commitments

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £54,218 (2019: £52,263). Contributions totalling £5,659 (2019: £4,451) were payable to the fund at the balance sheet date.

23. Related party transactions

The company has taken advantage of the exemption available in the Financial Reporting Standard 102 Section 33 whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group.

At 31 March 2020, included in other creditors is £20,400 (2019: £20,400) due to connected companies under common control. This amount is unsecured, interest free, and repayable on demand.

24. Post balance sheet events

Since the balance sheet date, the company refinanced the loan facility of the bank loan detailed in note 18 of £9,312,500. This new loan facility, for up to £9,250,000, is secured by a fixed and floating charge over the properties to which it relates. The loan is due for repayment on 30 April 2025, and bears a minimum interest rate of 3% per annum.

25. Ultimate parent entity

The immediate and ultimate parent company of Wheatley Plc is Wheatley Holdings Limited.

The accounts of the company are included in the consolidated financial statements of Wheatley Holdings Limited, copies of which are available from the Registrar of Companies, Companies House, Cardiff, CF14 3UZ.