

**WATES HOMES (BRACKNELL) LIMITED**  
**Directors' report and financial statements**  
**for the year ended**  
**31 December 2020**



**WATES HOMES (BRACKNELL) LIMITED  
DIRECTORS' REPORT**

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

**Principal activity**

On 7 January 2020, the company sold land on the west side of Jigs Lane, Warfield.

**Directors**

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

D. O. Allen  
D. M. Brocklebank  
T. A. D. Wates  
D. A. Bowen

This directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

**Going concern**

The directors have reviewed the forecast future performance of the Wates Group and the company and have prepared a cash flow forecast for 12 months from the date of approval of these financial statements. Taking into account the Wates Group's ongoing response to the pandemic, the directors consider that the Wates Group has sufficient cash reserves to continue trading, whilst meeting the financial covenants set within its Revolving Credit Facility and the Coronavirus Large Business Interruption Loan Scheme facility.

Accordingly, the directors continue to adopt the going concern basis in preparing the company's accounts. Further details regarding the adoption of the going concern basis can be found in note 1 to the accounts.

**Post balance sheet events**

There were no post balance sheet events requiring disclosure.

Approved by the Board of Directors on 9 March 2021 and signed on its behalf by:



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D. A. BOWEN  
DIRECTOR

Registered office:  
Wates House  
Station Approach  
Leatherhead  
Surrey  
KT22 7SW

**WATES HOMES (BRACKNELL) LIMITED**  
**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law 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;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are 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

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.

The directors of the ultimate parent company are responsible for the maintenance and integrity of the of the ultimate parent company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**WATES HOMES (BRACKNELL) LIMITED**  
**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2020**

	Notes	2020 £	2019 £
Turnover		7,000	-
Cost of sales		<u>-</u>	<u>-</u>
GROSS PROFIT	2	<u>7,000</u>	<u>-</u>
PROFIT BEFORE TAXATION		7,000	-
Taxation on profit	3	<u>-</u>	<u>-</u>
PROFIT FOR THE FINANCIAL YEAR		7,000	-
Profit and loss retained at 1 January		<u>(538,169)</u>	<u>(538,169)</u>
PROFIT AND LOSS RETAINED AT 31 DECEMBER		<u>(531,169)</u>	<u>(538,169)</u>

The above results have been derived from continuing operations.

Statements of comprehensive income and changes in equity have not been presented as the only changes to the equity of the company for the above two financial years is the result for those financial years.

**WATES HOMES (BRACKNELL) LIMITED**  
**COMPANY NUMBER: 2285497**  
**BALANCE SHEET AT 31 DECEMBER 2020**

	Notes	2020 £	2019 £
CREDITORS: amounts falling due within one year	4	<b>(186,732)</b>	<b>(193,732)</b>
NET LIABILITIES		<b>(186,732)</b>	<b>(193,732)</b>
CAPITAL AND RESERVES			
Called up share capital	5	<b>344,437</b>	<b>344,437</b>
Profit and loss account		<b>(531,169)</b>	<b>(538,169)</b>
SHAREHOLDERS' DEFICIT		<b>(186,732)</b>	<b>(193,732)</b>

Notes on pages 5 to 8 form a part of these accounts.

For the year ended 31 December 2020 the company was entitled to exemption from audit under Section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- The members have not required the Company to obtain an audit of its accounts for the year in question in accordance with Section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

Approved by the Board of Directors on 9 March 2021 and signed on its behalf by:



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D. A. BOWEN  
DIRECTOR

**WATES HOMES (BRACKNELL) LIMITED**  
**31 DECEMBER 2020**  
**NOTES TO THE ACCOUNTS**

**1. Accounting policies**

The principal accounting policies, which have all been applied consistently throughout the year and the preceding year, are set out below.

**(i) General information and basis of accounting**

Wates Homes (Bracknell) Limited is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and registered in England and Wales. The address of the registered office is given on page 2.

These accounts have been prepared on the going concern basis, under the historical cost accounting convention and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of the company is considered to be pounds sterling because that is the currency of the economic environment in which the Company operates.

Under FRS 102 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

**(ii) Going concern**

The activities of the Wates Group, along with the factors that may affect its future performance and position are set out in the Directors' report.

As at 31 December 2020, the company, whilst having no cash, had access to £50m of Wates Group debt under the Coronavirus Large Business Interruption Loan Scheme (CLBILS) and £120m of undrawn secured bank facilities (through the Wates Group Limited facility). The directors regularly review the working capital requirements of the company and the Wates Group while reviewing sensitivities to future performance.

As part of the Wates Group's ongoing response to the COVID-19 pandemic, the directors have reviewed the forecast future performance based on their current expectation. This expectation continues to reflect the current level of activity across the Wates Group using management's understanding of each sector that the Wates Group operates in. Turnover levels are forecast to improve throughout the second half of 2021, however, are not forecast to return to pre COVID-19 levels in 2021. Within these forecasts, a significant proportion of the Wates Group's revenue is already secured.

Due to the potential volatility at the subsidiary level, Wates Group Limited intends to provide sufficient operational and financial support to the subsidiaries, to the extent that it is required to enable them to meet their liabilities as and when they fall due for a period of at least 12 months from the date of approval of the financial statements for the subsidiaries for the year ended 31 December 2020. The Wates Group has prepared a cash flow forecast for 12 months from the date of approval of these financial statements and the Wates Group considers it has sufficient cash reserves to continue trading, whilst meeting the financial covenants set within its Revolving Credit and CLBILS facilities. The Wates Group is not forecasting a need to draw down on its £120m Revolving Credit Facility in the next 12 months.

**WATES HOMES (BRACKNELL) LIMITED**  
**31 DECEMBER 2020**  
**NOTES TO THE ACCOUNTS CONTINUED**

**1. Accounting policies continued**

**(ii) Going concern continued**

The Wates Group recognises the economic and trading uncertainties resulting from COVID-19 and has deemed it appropriate to consider a range of potential scenarios of escalating impact and duration. Some reasonable downside scenarios include: a significant contract loss; a reduction in contracting turnover similar with those seen in 2020; an increase in costs without any client recovery; and reductions in prices for both housing and land sales. The Wates Group does not consider a prolonged shut down of construction activities as a likely scenario as construction related activities have continued throughout all national lockdowns experienced to date. The Wates Group's cash has continued to remain resilient even after November when the second lockdown was announced and it has not utilised any of its Revolving Credit Facility throughout this period. Whilst the cash flow impacts of these scenarios are materially different to the current forecast, the Wates Group forecasts and reasonable worst-case scenarios indicate that it would be able to continue trading for at least 12 months from the date of approval of the financial statements. Even if these scenarios were compounded the Wates Group would not need to draw its Revolving Credit Facility.

After making enquiries and considering the factors and sensitivities outlined above for a range of scenarios, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

**(iii) Turnover**

Turnover represents sales of land and buildings and fees receivable during the year. Turnover is stated exclusive of value added tax.

**(iv) Taxation**

Current tax is provided at the amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the accounts that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the accounts.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**2. Staff numbers and costs**

There are no employees other than directors, who do not receive remuneration from the company.

**WATES HOMES (BRACKNELL) LIMITED**  
**31 DECEMBER 2020**  
**NOTES TO THE ACCOUNTS CONTINUED**

**3. Taxation on profit**

a) <u>Analysis of the charge in the year</u>	2020 £	2019 £
UK corporation tax on the profit for the year at 19% (2019: 19%) (note 3b)	-	-
Total tax on profit	-	-

b) Factors affecting the tax charge for the year

The total tax charge for the year is lower than (2019: equal to) the standard rate of corporation tax in the UK of 19% (2019: 19%).

	2020 £	2019 £
Profit before taxation	7,000	-
Profit multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	1,330	-
Group relief	(1,330)	-
Total tax charge for the year	-	-

**4. Creditors: amounts falling due within one year**

	2020 £	2019 £
Amount owed to group undertaking	107,340	100,340
Consortium taxation relief payable	72,797	72,797
Group taxation relief payable	<u>20,595</u>	<u>20,595</u>
	<u>200,732</u>	<u>193,732</u>



**WATES HOMES (BRACKNELL) LIMITED**  
**31 DECEMBER 2020**  
**NOTES TO THE ACCOUNTS CONTINUED**

**5. Share capital**

	2020 £	2019 £
Issued and fully paid:		
17,217,351 (2017: 17,217,351) "A" ordinary shares of 1p each	<b>172,174</b>	172,174
17,217,349 (2017: 17,217,349) "B" ordinary shares of 1p each	<b>172,173</b>	172,173
9,000 (2019: 9,000) 15% cumulative redeemable non-voting preference shares of 1p each	<u>90</u>	<u>90</u>
	<b><u>344,437</u></b>	<b><u>344,437</u></b>

The preference shares are redeemable at any time at the option of the Company for cash at par. The holders of the preference shares are entitled to a fixed cumulative preference dividend at the rate of 15% per annum (excluding the associated tax credit) on the paid up capital of the Company. The dividends are to be paid out of the profits available for distribution and resolved to be distributed. No preference dividends have been paid since the issue of these shares in 1990 leading to cumulative arrears at 31st December 2020 of £391 (2019 - £391).

**6. Related party transactions**

The company has taken advantage of exemptions within FRS 102 from disclosing transactions between wholly owned members of a group.

**7. Ultimate parent company**

The Company's immediate parent company and ultimate parent company are Wates Developments Limited and Wates Group Limited respectively, both of which are incorporated in United Kingdom and registered in England and Wales. No other group financial statements include the results of the Company.

The consolidated financial statements for Wates Group Limited are available to the public and may be obtained from Wates House, Station Approach, Leatherhead, Surrey, KT22 7SW.