
BERRY BROOK HOMES LIMITED

DIRECTORS REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

BERRY BROOK HOMES LIMITED

COMPANY INFORMATION

Directors	P Bray (appointed 28 July 2022) R H Roberts P F Wright S H W Dale (appointed 6 April 2023)
Registered number	07105213
Registered office	Civic Offices Shute End Wokingham Berkshire RG40 1BN
Independent auditors	Haslers Chartered Accountants & Statutory Auditor Old Station Road Loughton Essex IG10 4PL

BERRY BROOK HOMES LIMITED

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BERRY BROOK HOMES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2023

The directors present their report and the financial statements for the year ended 31 March 2023.

Principal activity

The entity's principal trading activity is to provide social and affordable housing that is developed with funding from Commuted Sums and borrowing from Wokingham Borough Council.

Results and dividends

The profit for the year, after taxation, amounted to £146,101 (2022 - loss £201,653).

No dividends were paid during the year and the directors do not propose any final dividends (2022: £nil).

Directors

The directors who served during the year were:

P Bray (appointed 28 July 2022)
R H Roberts
M Ryatt (resigned 23 March 2023)
P F Wright
S N Bailey (resigned 1 April 2022)
J S Kaiser (resigned 9 June 2022)

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 S414B 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 1 November 2023 and signed on its behalf.

S H W Dale
Director

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 MARCH 2023**

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) as adopted by the UK.

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 as adopted by the UK, 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BERRY BROOK HOMES LIMITED

Opinion

We have audited the financial statements of Berry Brook Homes Limited for the year ended 31 March 2023 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 13 – 17. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the United Kingdom.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the United Kingdom; 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

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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BERRY BROOK HOMES LIMITED (CONTINUED)

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. 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 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BERRY BROOK HOMES LIMITED (CONTINUED)

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 12, 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.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BERRY BROOK HOMES LIMITED (CONTINUED)

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.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an 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

1 November 2023

BERRY BROOK HOMES LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2023

		2023 £	2022 £
Revenue	6	926,262	887,181
Gross profit		926,262	887,181
Other operating income	7	832,370	846,294
Administrative expenses		(1,601,017)	(1,562,855)
Profit from operations		157,615	170,620
Finance income	9	2	-
Finance expense	9	(62,123)	(378,131)
Profit/(loss) before tax		95,494	(207,511)
Tax credit	10	50,606	5,858
Profit/(loss) for the year		146,100	(201,653)
Total comprehensive income		146,100	(201,653)

The notes on pages 13 to 29 form part of these financial statements.

BERRY BROOK HOMES LIMITED
REGISTERED NUMBER: 07105213

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023

	Note	2023 £	2022 £
Assets			
Non-current assets			
Property, plant and equipment	11	23,349,532	25,077,793
		<u>23,349,532</u>	<u>25,077,793</u>
Current assets			
Trade and other receivables	12	261,750	109,036
Cash and cash equivalents	21	906,988	1,650,921
		<u>1,168,738</u>	<u>1,759,957</u>
Total assets		<u>24,518,270</u>	<u>26,837,750</u>
Liabilities			
Non-current liabilities			
Trade and other liabilities	13	21,937,141	24,000,049
Loans and borrowings	15	1,100,094	1,602,379
		<u>23,037,235</u>	<u>25,602,428</u>
Current liabilities			
Trade and other liabilities	13	1,718,567	1,579,153
Loans and borrowings	15	136,717	176,518
		<u>1,855,284</u>	<u>1,755,671</u>
Total liabilities		<u>24,892,519</u>	<u>27,358,099</u>
Net liabilities		<u>(374,249)</u>	<u>(520,349)</u>

BERRY BROOK HOMES LIMITED
REGISTERED NUMBER: 07105213

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 MARCH 2023

	Note	2023 £	2022 £
Issued capital and reserves			
Share capital	16	3,000	3,000
Retained earnings		(377,249)	(523,349)
TOTAL EQUITY		<u>(374,249)</u>	<u>(520,349)</u>

The financial statements on pages 7 to 29 were approved and authorised for issue by the board of directors on 1 November 2023 and were signed on its behalf by:

S H W Dale

Director

The notes on pages 13 to 29 form part of these financial statements.

BERRY BROOK HOMES LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2023**

	Share capital	Retained earnings	Total equity
	£	£	£
At 1 April 2022	3,000	(523,350)	(520,350)
Comprehensive income for the year			
Profit for the year	-	146,100	146,100
Total comprehensive income for the year	-	146,100	146,100
At 31 March 2023	3,000	(377,250)	(374,250)
	Share capital	Retained earnings	Total equity
	£	£	£
At 1 April 2021	3,000	(321,696)	(318,696)
Comprehensive income for the year			
Loss for the year	-	(201,653)	(201,653)
Total comprehensive income for the year	-	(201,653)	(201,653)
At 31 March 2022	3,000	(523,349)	(520,349)

The notes on pages 13 to 29 form part of these financial statements.

BERRY BROOK HOMES LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023**

	Note	2023 £	2022 £
Cash flows from operating activities			
Profit/(loss) for the year		146,100	(201,653)
Adjustments for			
Depreciation of property, plant and equipment	11	1,178,105	1,191,991
Amortisation of intangible fixed assets		(832,370)	(846,294)
Finance income	9	(2)	-
Finance expense	9	62,123	378,131
Income tax expense	10	(50,606)	(5,858)
		<u>503,350</u>	<u>516,317</u>
Movements in working capital:			
(Increase)/decrease in trade and other receivables		(129,437)	70,734
(Decrease)/increase in trade and other payables		(160,374)	115,758
		<u>213,539</u>	<u>702,809</u>
Cash generated from operations		<u>213,539</u>	<u>702,809</u>
Net cash from operating activities		<u>213,539</u>	<u>702,809</u>
Interest received		2	-
Net cash from investing activities		<u>2</u>	<u>-</u>
Cash flows from financing activities			
Proceeds from grants		-	13,925
Proceeds/(payments) from/of borrowings		(436,361)	56,614
Payments of lease creditors		(212,646)	(182,563)
Interest paid		(308,467)	(40)
Net cash used in financing activities		<u>(957,474)</u>	<u>(112,064)</u>
Net (decrease)/increase in cash and cash equivalents		<u>(743,933)</u>	<u>590,745</u>
Cash and cash equivalents at the beginning of year		1,650,921	1,060,176
Cash and cash equivalents at the end of the year	21	<u><u>906,988</u></u>	<u><u>1,650,921</u></u>

The notes on pages 13 to 29 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

1. Reporting entity

Berry Brook Homes Limited (the 'Company') is a private company, limited by shares and incorporated in England and Wales. The Company's registered office is at Civic Offices, Shute End, Wokingham, Berkshire, RG40 1BN. The Company's principal activity is the letting and operating of own or leased real estate.

2. Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations as adopted by the UK (collectively IFRSs). They were authorised for issue by the Company's board of directors on 01 November 2023.

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.

2.1 Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items, which are measured on an alternative basis on each reporting date.

Items	Measurement basis
Infrastructure assets	Depreciated historic cost

2.2 Changes in accounting policies

i) New standards, interpretations and amendments effective from 1 April 2022

The following relevant standards and amendments to IFRSs became effective for the annual reporting

period beginning on 1 April 2022 and did not have a material impact on the financial statements:

- Amendment to IAS 37, 'Provisions, contingent liabilities and contingent assets'. Amendment effective for periods commencing on or after 1 January 2022. The amendment relates to the clarification of costs that an entity should include as the cost of fulfilling a contract when assessing whether a contract is onerous.

Management's review to determine the impact of this amendment is ongoing, however this is not expected to have a material impact.

- Amendment to IAS 16, 'Property, plant and equipment'. Amendment effective for periods commencing on or after 1 January 2022. The amendment relates to proceeds from selling items produced while bringing an asset into the location and condition necessary for it to be capable of operating in the manner intended by management.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

2. Basis of preparation (continued)

ii) New standards, interpretations and amendments not yet effective

The following new standards, interpretations and amendments, which are not yet effective and have not been adopted early in these financial statements, will or may have an effect on the Company's future financial statements:

New standard, interpretation or amendment	Mandatory effective date (period beginning)
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
Recognition, measurement and disclosure of leases	
Amendments to IAS 16	1 January 2024

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.

3. Accounting policies

3.1 Going concern

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

The entity is in a net liability position (£374,249) (2022: (£520,349)) and the entity has seen a net decrease in cash and cash equivalents of £743,933 (2022: £590,745 increase) during the year. This has resulted in a cash and cash equivalents balance at the year end of £906,988 (2022: £1,650,921). The company receives financial support from group companies and has no reason to believe that this support will not be continued. On this basis the accounts have been prepared on the going concern basis.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

3. Accounting policies (continued)

3.2 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Company as a lessee

The Company assesses whether a contract is or contains a lease, at inception of a contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low-value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;

The lease liability is included in the 'Loans and borrowings' line in the Statement of Financial Position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are included in the 'Property, Plant and Equipment' and 'Investment Property' lines, as applicable, in the Statement of Financial Position.

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in note 3.6.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has used this practical expedient.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

3. Accounting policies (continued)

3.3 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3.4 Government grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in profit or loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

3. Accounting policies (continued)**3.5 Taxation****Current and deferred tax for the year**

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

3.6 Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Depreciation is provided on all other items of property, plant and equipment so as to write off their carrying value over their expected useful economic lives. It is provided at the following range:

Leasehold land	125	years
Communal	20	years
Renewable energy assets	20	years
Electrics	30	years
Other heating	20	years
Heating boiler	15	years
Unadopted infrastructure	50	years
Structure	100	years
Roof	55	years
Windows & doors	35	years
Kitchen	20	years
Bathroom	30	years

3.7 Revenue

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

3. Accounting policies (continued)**3.8 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.

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.

5. Accounting estimates and judgements

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.

The significant item in Berry Brook Homes Limited's Statement of Financial Position for the year ended 31 March 2023 relates to the assumptions and estimates used in the calculation of the right of use asset and associated liability under IFRS 16.

6. Revenue

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

	2023	2022
	£	£
Rent receivable	926,262	887,181
	926,262	887,181

All revenue arose from activities within the United Kingdom.

BERRY BROOK HOMES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

7. Other operating income

	2023	2022
	£	£
Government grants receivable	832,370	846,294
	<u>832,370</u>	<u>846,294</u>

8. Auditors' remuneration

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

	2023	2022
	£	£
Fees payable to the Company's auditors for the audit of the Company's financial statements	10,050	8,100
Fees payable to the Company's auditors for non-audit services, excluding taxation services	21,675	17,077
Fees payable to the Company's auditors for taxation services	<u>850</u>	<u>700</u>

BERRY BROOK HOMES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

9. Finance income and expense

Recognised in profit or loss

	2023	2022
	£	£
Interest on:		
- Bank deposits	2	-
Total interest income arising from financial assets measured at amortised cost or FVOCI	2	-
Total finance income	2	-
Finance expense		
Bank interest payable	56	40
Interest on lease liabilities	56,795	61,263
Interest payable to group companies	5,272	316,828
Total finance expense	62,123	378,131
Net finance expense recognised in profit or loss	(62,121)	(378,131)

BERRY BROOK HOMES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

10. Tax expense

10.1 Income tax recognised in profit or loss

	2023 £	2022 £
Deferred tax expense		
Origination and reversal of timing differences	(50,606)	(5,858)
Total deferred tax	(50,606)	(5,858)
	<u>(50,606)</u>	<u>(5,858)</u>

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 losses for the year are as follows:

	2023 £	2022 £
Profit/(loss) for the year	146,101	(201,653)
Income tax credit/expense (including income tax on associate, joint venture and discontinued operations)	(50,606)	(5,858)
Profit/(loss) before income taxes	95,495	(207,511)
Tax using the Company's domestic tax rate of 19% (2022:19%)	18,144	(39,427)
Expenses not deductible for tax purposes, other than goodwill, amortisation and impairment	28,079	28,072
Other timing differences leading to an increase/(decrease) in the tax charge	(50,606)	-
Other differences leading to an increase/(decrease) in the tax charge	-	(5,858)
Group relief	(46,223)	11,355
Total tax expense	<u>(50,606)</u>	<u>(5,858)</u>

Changes in tax rates and factors affecting the future tax charges

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

BERRY BROOK HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

11. Property, plant and equipment

	Housing properties £	Right of use asset £	Housing properties under construction £	Total £
Cost or valuation				
At 1 April 2021	26,342,363	1,979,500	57,953	28,379,816
Transfers between classes	57,953	-	(57,953)	-
At 31 March 2022	26,400,316	1,979,500	-	28,379,816
Disposals	(163,921)	-	-	(163,921)
At 31 March 2023	26,236,395	1,979,500	-	28,215,895
	Housing properties £	Right of use asset £	Housing properties under construction £	Total £
Accumulated depreciation and impairment				
At 1 April 2021	1,876,518	247,438	-	2,123,956
Charge owned for the year	980,117	197,950	-	1,178,067
At 31 March 2022	2,856,635	445,388	-	3,302,023
Charge owned for the year	980,155	197,950	-	1,178,105
Impairment charge	-	386,235	-	386,235
At 31 March 2023	3,836,790	1,029,573	-	4,866,363
Net book value				
At 1 April 2021	24,465,845	1,732,062	57,953	26,255,860
At 31 March 2022	23,543,681	1,534,112	-	25,077,793
At 31 March 2023	22,399,605	949,927	-	23,349,532

BERRY BROOK HOMES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

11. Property, plant and equipment (continued)

11.1. Assets held under leases

The net book value of owned and leased assets included as "Property, plant and equipment" in the Statement of Financial Position is as follows:

	31 March 2023	<i>31 March 2022</i>
	£	£
Property, plant and equipment owned	17,435,037	18,097,398
Right-of-use assets, excluding investment property	5,914,495	6,980,395
	<u>23,349,532</u>	<u>25,077,793</u>

Information about right-of-use assets is summarised below:

Net book value

	31 March 2023	<i>31 March 2022</i>
	£	£
Property	5,914,495	6,980,395
	<u>5,914,495</u>	<u>6,980,395</u>

12. Trade and other receivables

	2023	<i>2022</i>
	£	£
Current		
Trade receivables	176,006	63,479
Trade receivables - net	176,006	63,479
Receivables from related parties	-	1,704
Total financial assets other than cash and cash equivalents classified as loans and receivables	176,006	65,183
Prepayments and accrued income	14,023	22,738
Other receivables	71,721	21,115
Total current trade and other receivables	<u>261,750</u>	<u>109,036</u>

BERRY BROOK HOMES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

13. Trade and other payables

	2023 £	2022 £
Trade payables	3,980	9,511
Payables to related parties	8,587,561	9,470,263
Other payables	22,029	22,978
Accruals	94,321	296,264
Total financial liabilities, excluding loans and borrowings, classified as financial liabilities measured at amortised cost	8,707,891	9,799,016
Deferred income	14,947,815	15,780,186
Total trade and other payables	23,655,706	25,579,202
Less: current portion - trade payables	(3,980)	(9,511)
Less: current portion - payables to related parties	(765,866)	(418,030)
Less: current portion - other payables	(22,029)	(22,978)
Less: current portion - accruals	(94,321)	(296,264)
Less: current portion - deferred income	(832,370)	(832,370)
Total current portion	(1,718,566)	(1,579,153)
Total non-current position	21,937,141	24,000,049

14. Loans from related parties

	2023 £	2022 £
Secured - at amortised cost		
Loans from related parties	8,361,808	9,052,231
	8,361,808	9,052,231

Interest is charged at a fixed rate of 3.5% on this loan..

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

BERRY BROOK HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

15. Loans and borrowings

	2023 £	2022 £
Non-current		
Lease liabilities	1,100,094	1,602,379
	<u>1,100,094</u>	<u>1,602,379</u>
Current		
Lease liabilities	136,717	176,518
	<u>136,717</u>	<u>176,518</u>
Total loans and borrowings	<u><u>1,236,811</u></u>	<u><u>1,778,897</u></u>

16. Share capital

Authorised

	2023 Number	2023 £	2022 Number	2022 £
Shares treated as equity				
Ordinary shares shares of £1.00 each	3,000	3,000	3,000	3,000
	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>

Issued and fully paid

	2023 Number	2023 £	2022 Number	2022 £
Ordinary shares shares of £1.00 each				
At 1 April and 31 March	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

17. Reserves

Reserves represent cumulative amount of share capital issued and retained earnings.

Retained earnings

Retained earnings represents cumulative net profit and losses recognised in the Statement of Comprehensive Income net of amounts recognised directly in equity.

18. Leases**(i) Leases as a lessee**

The company has the 10 year lease on a property for which it pays rent as part of the lease.

Lease liabilities are due as follows:

	2023 £	2022 £
Contractual undiscounted cash flows due		
Not later than one year	178,209	231,810
Between one year and five years	1,003,847	1,212,262
Later than five years	225,491	446,426
	<u>1,407,547</u>	<u>1,890,498</u>
Lease liabilities included in the Statement of Financial Position at 31 March	<u>1,236,811</u>	<u>1,778,897</u>
Non-current	1,100,094	1,602,379
Current	<u>136,717</u>	<u>176,518</u>

The following amounts in respect of leases have been recognised in profit or loss:

	2023 £	2022 £
Interest expense on lease liabilities	<u>(56,795)</u>	<u>61,263</u>

BERRY BROOK HOMES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

19. Financial instruments - fair values and risk management

19.1 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 2023	Note	Carrying amount	
		Amortised cost £	Total £
Financial assets not measured at fair value			
Trade and other receivables	12	236,769	236,769
Cash and cash equivalents	21	906,987	906,987
		1,143,756	
			1,143,756
Financial liabilities not measured at fair value			
Borrowings	13	(8,634,301)	(8,634,301)
Trade and other payables	13	(129,512)	(129,512)
		(8,763,813)	(8,763,813)
31 March 2022	Note	Carrying amount	
		Amortised cost £	Total £
Financial assets not measured at fair value			
Trade and other receivables	12	65,183	65,183
Cash and cash equivalents	21	1,650,921	1,650,921
		1,716,104	1,716,104
Financial liabilities not measured at fair value			
Borrowings	13	(9,470,263)	(9,470,263)
Trade payables	13	(328,753)	(328,753)
		(9,799,016)	(9,799,016)

19.2 Credit risk management

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

BERRY BROOK HOMES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

19. Financial instruments - fair values and risk management (continued)**19.3 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 Berry Brook Homes 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 2023 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 3.5%.

20. Related party transactions

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

The Directors of the Company regard Wokingham Borough Council (WBC), 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 purchases were made from Wokingham Borough Council of £389,322 (2022: £261,490) and Loddon Homes Limited of £107,964 (2022: £80,420). During the year the management charges totalling £12,600 were charged by the immediate parent of the Company.

At the 31 March 2023 loans were due to/from related parties:

20.1 Loans to/from related parties

	2023 £	2022 £
WBC (Holdings) Limited	(7,821,676)	(9,052,231)
	<u>(8,587,561)</u>	<u>(9,448,830)</u>
Short Term Loans		
Loddon Homes Limited	-	(21,061)
Wokingham Housing Limited	-	19,340
WBC (Holdings) Limited	(540,132)	(316,828)
Wokingham Borough Council	(225,753)	(78,050)
	<u>(8,587,561)</u>	<u>(9,448,830)</u>

BERRY BROOK HOMES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

21. Notes supporting statement of cash flows

	2023 £	2022 £
Cash at bank available on demand	906,988	1,650,921
Cash and cash equivalents in the statement of financial position	906,988	1,650,921
Cash and cash equivalents in the statement of cash flows	906,988	1,650,921

22. Assets pledged as security

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

	2023 £	2022 £
Floating charge		
Cash and cash equivalents	906,988	1,650,921
Receivables	236,796	111,923
Total current assets pledged as security	1,143,784	1,762,844
Non-current		
First mortgage		
Property, plant and equipment	22,563,526	23,543,681
	22,563,526	23,543,681
Total non-current assets	22,563,526	23,543,681
Total assets pledged as security	23,707,310	25,306,525

23. Capital management

The Company's capital management objective is to ensure that the appropriate level of capital is available to fulfil the strategic objectives of the company. This is carried out by actively managing their cash reserves as well as obtaining long-term debt finance from its ultimate parent entity, Wokingham Borough Council.

The Company is not subject to any externally imposed capital requirements.

BERRY BROOK HOMES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

24. Events after the reporting date

No adjusting or significant non-adjusting events have occurred between the 31 March reporting date and the date of authorisation.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.