
WOKINGHAM HOUSING LIMITED

DIRECTORS REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

WOKINGHAM HOUSING LIMITED

COMPANY INFORMATION

Directors	R H Roberts P F Wright P Bray S H W Dale (appointed 6 April 2023)
Registered number	07685172
Registered office	Civic Offices Shute End Wokingham Berkshire RG40 1BN
Independent auditors	Haslers Chartered Accountants & Statutory Auditor Old Station Road Loughton Essex IG10 4PL

WOKINGHAM HOUSING LIMITED

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

Results and dividends

The profit for the year, after taxation, amounted to £170,045 (2022 - loss £84,608).

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

Directors

The directors who served during the year were:

R H Roberts
P F Wright
P Bray

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 small companies exemption under section 414B in relation to the preparation of a strategic report.

Auditors

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

This report was approved by the board on 1 November 2023 and signed on its behalf.

P Bray
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 WOKINGHAM HOUSING LIMITED

Opinion

We have audited the financial statements of Wokingham Housing 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 - 16. 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.

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.

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

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 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

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

identified the key laws and regulations that:

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

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

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

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

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

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

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

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

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

WOKINGHAM HOUSING LIMITED

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

	Note	2023 £	2022 £
Revenue	6	-	4,028,960
Cost of sales		187,155	(3,894,914)
Gross profit		187,155	134,046
Administrative expenses		(72,273)	(142,771)
Profit/(loss) from operations		114,882	(8,725)
Finance expense		35,806	(75,883)
Amounts written off and p/l on disposals		40,567	-
Profit/(loss) before tax		191,255	(84,608)
Tax expense	9	(21,210)	-
Profit/(loss) for the year		170,045	(84,608)
Total comprehensive income		170,045	(84,608)

The notes on pages 13 to 25 form part of these financial statements.

WOKINGHAM HOUSING LIMITED
REGISTERED NUMBER: 07685172

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023

	Note	2023 £	2022 £
Assets			
Current assets			
Trade and other receivables	11	2,701,293	6,246,558
Cash and cash equivalents	18	1,406,360	457,228
		<u>4,107,653</u>	<u>6,703,786</u>
Total assets		<u>4,107,653</u>	<u>6,703,786</u>
Liabilities			
Non-current liabilities			
Trade and other liabilities	12	2,202,006	2,117,859
		<u>2,202,006</u>	<u>2,117,859</u>
Current liabilities			
Trade and other liabilities	12	150,054	3,000,378
		<u>150,054</u>	<u>3,000,378</u>
Total liabilities		<u>2,352,060</u>	<u>5,118,237</u>
Net assets		<u><u>1,755,593</u></u>	<u><u>1,585,549</u></u>

WOKINGHAM HOUSING LIMITED
REGISTERED NUMBER: 07685172

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

	Note	2023 £	2022 £
Issued capital and reserves	15		
Share capital	14	1,900,000	<i>1,900,000</i>
Retained earnings		(144,407)	<i>(314,451)</i>
TOTAL EQUITY		<u>1,755,593</u>	<u><i>1,585,549</i></u>

The financial statements on pages 7 to 25 were approved and authorised for issue by the board of directors on 1 November 2023 and were signed on its behalf by:

P Bray
Director

The notes on pages 13 to 25 form part of these financial statements.

WOKINGHAM HOUSING LIMITED

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

	Share capital	Retained earnings	Total equity
	£	£	£
At 1 April 2022	1,900,000	(314,451)	1,585,549
Comprehensive income for the year			
Profit for the year	-	170,045	170,045
Total comprehensive income for the year	-	170,045	170,045
At 31 March 2023	1,900,000	(144,406)	1,755,594
	Share capital	Retained earnings	Total equity
	£	£	£
At 1 April 2021	1,900,000	(229,843)	1,670,157
Comprehensive income for the year			
Loss for the year	-	(84,608)	(84,608)
Total comprehensive income for the year	-	(84,608)	(84,608)
At 31 March 2022	1,900,000	(314,451)	1,585,549

The notes on pages 13 to 25 form part of these financial statements.

WOKINGHAM HOUSING 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		170,045	(84,608)
Adjustments for			
Finance expense		(35,806)	75,883
Income tax expense	9	21,210	-
		<u>155,449</u>	<u>(8,725)</u>
Movements in working capital:			
Increase in trade and other receivables		(19,416)	(1,746,703)
Decrease in inventories		-	2,187,983
(Decrease)/increase in trade and other payables		(621,365)	1,638,623
		<u>(485,332)</u>	<u>2,071,178</u>
Cash generated from operations		<u>(485,332)</u>	<u>2,071,178</u>
Net cash (used in)/from operating activities		<u>(485,332)</u>	<u>2,071,178</u>
Cash flows from financing activities			
(Repayments of)/Proceeds from bank borrowings		1,476,739	(1,686,683)
Interest paid		(42,275)	(1,765)
		<u>1,434,464</u>	<u>(1,688,448)</u>
Net cash from/(used in) financing activities		<u>1,434,464</u>	<u>(1,688,448)</u>
Net increase in cash and cash equivalents		<u>949,132</u>	<u>382,730</u>
Cash and cash equivalents at the beginning of year		457,228	74,498
Cash and cash equivalents at the end of the year	18	<u><u>1,406,360</u></u>	<u><u>457,228</u></u>

The notes on pages 13 to 25 form part of these financial statements.

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

1. Reporting entity

Wokingham Housing 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 to provide a range of high quality affordable and market housing for the people of Wokingham Borough and beyond.

2. Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations 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.

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

2. Basis of preparation (continued)

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.

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 the going concern basis which assumes an ability to continue operating for the foreseeable future.

The company generated a profit for the year of £170,045 (2022: loss of (£84,608)) and had net assets of £1,755,593 at 31 March 2023. 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 Revenue & expenditure

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

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

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

a) Income

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

b) Expenditure

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

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

3. Accounting policies (continued)

3.3 Employee benefits

Short-term and other long-term employee benefits

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

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

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

3.4 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

3.5 Inventories

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

3.6 Financial instruments

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

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

3.7 Financial assets

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

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

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

3. Accounting policies (continued)

3.8 Financial liabilities and equity instruments

Financial liabilities

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

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

Financial liabilities subsequently measured at amortised cost

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

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

4. Functional and presentation currency

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

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

5. Accounting estimates and judgements

5.1 Judgements

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

5.2 Estimates and assumptions

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

There are no items in Wokingham Housing Limited's Statement of Financial Position at 31st March 2023 for which there is a significant material adjustment in the forthcoming financial year.

6. Revenue

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

	2023 £	2022 £
Construction Services	-	4,028,960
	<u>-</u>	<u>4,028,960</u>

WOKINGHAM HOUSING LIMITED

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

7. Employee benefit expenses

	2023	2022
	£	£
Employee benefit expenses (including directors) comprise:		
Wages and salaries	6,000	6,000
	<u>6,000</u>	<u>6,000</u>

Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, including the directors of the Company.

	2023	2022
	£	£
Salary	6,000	6,000
	<u>6,000</u>	<u>6,000</u>

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

2023	2022
3	4
<u>3</u>	<u>4</u>

8. Finance income and expense

Recognised in profit or loss

	2023	2022
	£	£
Finance expense		
Bank interest payable	45	1,765
Interest on loans from group undertakings	(35,850)	74,118
	<u>(35,805)</u>	<u>75,883</u>
Total finance expense	<u>(35,805)</u>	<u>75,883</u>
Net finance income/(expense) recognised in profit or loss	<u>35,805</u>	<u>(75,883)</u>

WOKINGHAM HOUSING LIMITED

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

9. Tax expense

9.1 Income tax recognised in profit or loss

	2023 £	2022 £
Current tax on profits for the year	21,210	-
Total current tax	21,210	-

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

	2023 £	2022 £
Profit/(loss) for the year	170,044	(84,608)
Income tax expense (including income tax on associate, joint venture and discontinued operations)	21,210	-
Profit/(loss) before income taxes	191,254	(84,608)
Tax using the Company's domestic tax rate of 19% (2022:19%)	36,338	(16,076)
Non-taxable income	(7,707)	-
Group relief	(7,421)	16,076
Total tax expense	21,210	-

Changes in tax rates and factors affecting the future tax charges

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

10. 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	5,417	4,000
Fees payable to the Company's auditors for non-audit services, excluding taxation services	10,875	15,423
Fees payable to the Company's auditors for taxation services	850	700

WOKINGHAM HOUSING LIMITED

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

11. Trade and other receivables

	2023 £	2022 £
Current		
Receivables from related parties	2,680,223	6,244,905
Total financial assets other than cash and cash equivalents classified as loans and receivables	2,680,223	6,244,905
Prepayments and accrued income	3,563	1,653
Tax recoverable	17,507	-
Total current trade and other receivables	2,701,293	6,246,558

12. Trade and other payables

	2023 £	2022 £
Trade payables	35,076	564
Payables to related parties	79,643	2,329,814
Other payables	-	221,770
Accruals	14,026	135,347
Total financial liabilities, excluding loans and borrowings, classified as financial liabilities measured at amortised cost	128,745	2,687,495
Other payables - tax and social security payments	21,310	312,885
Payables to related parties (debt)	2,202,007	2,117,861
Total trade and other payables	2,352,062	5,118,241
Less: current portion - trade payables	(35,076)	(564)
Less: current portion - payables to related parties	(79,643)	(2,329,814)
Less: current portion - other payables	(21,310)	(534,655)
Less: current portion - accruals	(14,026)	(135,347)
Total current portion	(150,055)	(3,000,380)
Total non-current position	2,202,006	2,117,859

WOKINGHAM HOUSING LIMITED

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

13. Loans and Borrowings

Included in payables to related parties are loans as follows:

	2023 £	2022 £
Loans from related parties	2,202,009	2,117,861
	<u>2,202,009</u>	<u>2,117,861</u>

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.

14. Share capital

Authorised

	2023 Number	2023 £	2022 Number	2022 £
Shares treated as equity				
Ordinary Shares shares of £1.00 each	1,900,000	1,900,000	1,900,000	1,900,000
	<u>1,900,000</u>	<u>1,900,000</u>	<u>1,900,000</u>	<u>1,900,000</u>

Issued and fully paid

	2023 Number	2023 £	2022 Number	2022 £
Ordinary Shares shares of £1.00 each				
At 1 April and 31 March	<u>1,900,000</u>	<u>1,900,000</u>	<u>1,900,000</u>	<u>1,900,000</u>

15. Reserves

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

Retained earnings

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

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

16. Financial instruments - fair values and risk management

16.1 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	Amortised cost £	Total £
Financial assets not measured at fair value			
Trade and other receivables	11	2,701,293	2,701,293
Cash and cash equivalents	18	1,406,360	1,406,360
		<u>4,107,653</u>	<u>4,107,653</u>
Financial liabilities not measured at fair value			
Loan from related parties		(79,643)	(79,643)
Trade and other payables	12	(49,102)	(49,102)
		<u>(128,745)</u>	<u>(128,745)</u>
31 March 2022			
	Note	Amortised cost £	Total £
Financial assets not measured at fair value			
Trade and other receivables	11	6,246,558	6,246,558
Cash and cash equivalents	18	457,288	457,288
		<u>6,703,846</u>	<u>6,703,846</u>
Financial liabilities not measured at fair value			
Loan from related parties		(2,329,814)	(2,329,814)
Trade payables	12	(357,681)	(357,681)
		<u>(2,687,495)</u>	<u>(2,687,495)</u>

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

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

16.2 Credit risk management

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

16.3 Liquidity risk management

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

The Company's exposure to a liquidity risk at 31 March 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%.

WOKINGHAM HOUSING LIMITED

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

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

During the year Wokingham Housing Limited provided construction services to Loddon Homes Limited totalling £Nil (2022: £2,349,804) and Wokingham Borough Council of £Nil (2022: £1,679,156).

During the year the Company made purchases from WBC (Holdings) Ltd of £12,600 and Wokingham Borough Council of £42,882.

At the 31 March 2023, amounts were outstanding (to)/from related parties as follows:

17.1 Loans to/from related parties

	2023 £	2022 £
Long term loans		
Wokingham Borough Council	(2,202,007)	(2,117,859)
	<u>398,573</u>	<u>1,797,232</u>
Short Term Loans and other payables		
Wokingham Borough Council	(79,643)	1,829,615
WBC (Holdings) Limited	-	(374,000)
Loddon Homes Limited	2,680,223	2,500,705
Berry Brook Homes Limited	-	(41,229)
	<u>398,573</u>	<u>1,797,232</u>

18. Notes supporting statement of cash flows

	2023 £	2022 £
Cash at bank available on demand	1,406,360	457,228
Cash and cash equivalents in the statement of financial position	<u>1,406,360</u>	<u>457,228</u>
Cash and cash equivalents in the statement of cash flows	<u>1,406,360</u>	<u>457,228</u>

WOKINGHAM HOUSING LIMITED

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

19. Assets pledged as security

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

	2023 £	2022 £
Current		
Floating charge		
Cash and cash equivalents	1,406,360	457,228
Receivables	3,562	1,653
Total assets pledged as security	<u>1,409,922</u>	<u>458,881</u>

20. 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.