

# Financial Statements Snugg Properties Limited

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**For the period ended 31 March 2019**



Company no: 11052396

## Company information

<b>Company registration number :</b>	11052396
<b>Registered office :</b>	Turner House 56 King Street Leigh Lancashire WN7 4LJ
<b>Directors :</b>	S Akhtar (appointed 1 April 2019) L Garsden (appointed 7 November 2017) A Leah (appointed 1 April 2019) P Lees (appointed 7 November 2017) H Roberts (appointed 7 November 2017, reappointed 1 April 2019) O Baker (appointed 7 November 2017, resigned 24 September 2018) A Cain (appointed 7 November 2017, resigned 29 November 2018) J Clayton (appointed 7 November 2017, resigned 31 March 2019) E Clivery (appointed 7 November 2017, resigned 31 March 2019) S Fyfe (appointed 7 November 2017, resigned 17 May 2018) K Marshall (appointed 25 June 2019) J Mutch (appointed 1 April 2019) R Baker (appointed 26 April 2019)
<b>Secretary :</b>	B Moran
<b>Bankers :</b>	National Westminster Bank Plc Manchester City Centre Branch PO Box 305 Spring Gardens Manchester M60 2DB
<b>Auditors :</b>	BDO LLP 3 Hardman Street Manchester M3 3AT

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## Directors' report

The Companies Act 2006 requires the directors to present a fair review of the business of Snugg Properties Limited (the Company) during the period from 07 November 2017 to 31 March 2019 and of the position of the Company at 31 March 2019 together with the financial statements, auditor's report and a description of the principal risks and uncertainties which the Company faces.

The strategic report can be found on pages 5 to 6.

### **The board**

Members of the board, all of whom served throughout the period and up to the date of approval of the financial statements, are set out on page 1.

### **Directors' responsibilities statement**

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the group and company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 group and company and of the profit or loss of the group for that period. In preparing these 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 applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 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 also responsible for the safeguarding of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Qualifying third party indemnity provisions**

The company has put in place qualifying third party indemnity provisions for all of the directors of Snugg Properties Limited.

### **Political contributions**

No contributions were made to any political parties during the current period.

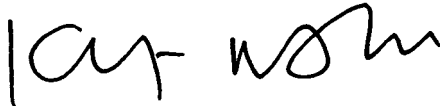
## Directors' report

### **Auditors**

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware and each director has taken all reasonable steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

BDO LLP has expressed their willingness to continue in office as the Company's auditors. In line with financial regulations/common practice amongst the sector, the audit services will be retendered for the next financial year.

**Signed on behalf of the Board:**

A handwritten signature in black ink, appearing to read 'Katie Marshall', is written over a horizontal line.

**Katie Marshall**  
**Director**

7 August 2019

# Strategic report

## **Background and principal activity**

Snugg Properties Limited is a private company limited by shares and at 31 March 2019 was a member of the Jigsaw Homes Group (the Group), of which Jigsaw Homes Group Limited was the ultimate parent company.

On 3 April 2018, the Group received a transfer of engagements from New Charter Housing Trust Limited and changed its name to Jigsaw Homes Group Limited (Jigsaw).

Snugg Properties Limited is a wholly owned subsidiary of Adactus Housing Association Limited, which at the balance sheet date was a wholly owned subsidiary company of Jigsaw Homes Group Limited.

The Company's main activity is to carry out open market development schemes for sale.

## **Review of the business**

As it is the first period of operation, the Company has been able to secure funding from Adactus Housing Association Limited (£2.4m) and although work is in progress (£2.2m) it has not completed any properties for sale.

The Group uses financial and non-financial KPIs to measure its progress in delivering its strategic priorities. The ability for Snugg Properties Limited to generate profit, cash resources and maximise value for the Group remains the key performance indicators on which the directors monitor Snugg Properties Limited's business. The directors are comfortable with the strategic progress of Snugg Properties Limited.

## **Future development of the Company**

The Company has secured one site and is in detailed discussions on another. Depending on the financial returns delivered by these sites, a decision to continue with further projects will be made following that review.

## **Principal risks and uncertainties**

Risks that may prevent the Group and Snugg achieving their objectives are considered and reviewed annually by the senior management team of Group and the board as part of the Group's corporate planning process. The Group's risk and governance model is designed so that the Board maintains overall responsibility for risk.

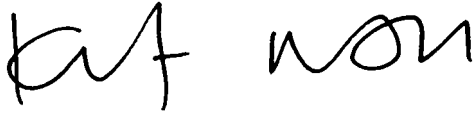
Risks are recorded and assessed in terms of their impact and probability and are reported to the Group's performance, scrutiny and audit committee quarterly, together with any action taken to manage those risks, including assessment of key controls and the outcome of any action.

The principal risk to Snugg Properties Limited remains the future strategy of the Group in relation to continuing with delivering open market sale developments. In addition following the UK's decision in June 2016 to leave the EU, strong indications of lower confidence have arisen in the housing market and the wider economy. The Group has updated its risk map and will continue to monitor developments in this area.

The Group's risk map and the controls it has in place to mitigate risks can be explored in further detail on the Group's website see: <https://www.jigsawhomes.org.uk> and search for 'risk'.

## Strategic report

**Signed on behalf of the Board:**

A handwritten signature in black ink, appearing to read 'Katie Marshall'.

**Katie Marshall**  
**Director**

7 August 2019

# Independent auditor's report to the members of Snugg Properties Limited

## **Opinion**

We have audited the financial statements of Snugg Properties Limited ("the Company") for the period ended 31 March 2019 which comprise Statement of Comprehensive Income, Statement of Financial Position and Statement of Changes in Equity, and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2019 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's 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 UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Conclusions relating to going concern**

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

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

## **Other matter**

The comparative period figures for the period ended 31 March 2019 are unaudited.

## **Other information**

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



## Independent auditor's report to the members of Snugg Properties Limited

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

We have nothing to report in this regard.

### **Opinions 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 Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has 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 Director's 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; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

### **Responsibilities of Directors**

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

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

# Independent auditor's report to the members of Snugg Properties Limited

**Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's 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 auditor's 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.

BDO LLP

Helen Knowles (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
3 Hardman Street, Manchester, M3 3AT

7.8.19

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

# Statement of Comprehensive Income

	Note	Period ended 31 March 2019 £000
Turnover		-
Operating expenditure		(6)
<b>Operating loss</b>	4	<u>(6)</u>
Interest receivable and similar income		-
Interest payable and similar charges		-
<b>Loss on ordinary activities before taxation</b>		<u>(6)</u>
Taxation on profit on ordinary activities	7	1
<b>Loss on ordinary activities after taxation</b>		<u>(5)</u>
<b>Other comprehensive income</b>		
Gift aid		-
Taxation on gift aid		-
<b>Total comprehensive income for the period</b>		<u><u>(5)</u></u>

## Statement of Financial Position

As at 31 March 2019

	Note	2019 £000
<b>Current assets</b>		
Stock: Properties for sale	8	2,202
Trade and other debtors	9	1
Cash and cash equivalents		555
 Less Creditors: amounts falling due within one year	10	(2,763)
<b>Net current assets</b>		<u>(5)</u>
<b>Total assets less current liabilities</b>		<u>(5)</u>
 <b>Capital and reserves</b>		
Called up share capital	11	-
Revenue reserves		(5)
<b>Total capital and reserves</b>		<u>(5)</u>

The accompanying notes on pages 13-17 form part of the financial statements.

These financial statements were signed on behalf of the board on 7 August 2019 by:



**Katie Marshall**  
Director

Company number : 11052396

## Statement of Changes in Equity

Period ended 31 March 2019

	Called up share capital	Revenue reserves	Total
	£'000	£'000	£'000
Surplus from Statement of Comprehensive Income	-	(5)	(5)
Other comprehensive income	-	-	-
<b>Balance at 31 March 2019</b>	<b>-</b>	<b>(5)</b>	<b>(5)</b>

The notes on pages 13 to 17 form an integral part of these accounts.

## Notes to the financial statements

### **1 Basis of preparation**

The financial statements of the Company have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006.

#### **Going concern**

The financial statements have been prepared on a going concern basis. The directors have reviewed future cash flows and available facilities and believe that the business will be in a position to meet its liabilities as they fall due with the guarantee of the continued support of its parent company Adactus Housing Association Limited. A summary of the appropriate accounting policies, which have been applied consistently, is set out below.

### **2 Principal accounting policies**

#### **Basis of accounting**

The financial statements have been prepared in the historical cost basis of accounting.

#### **Cashflow exemption**

The Company has taken advantage of the exemption conferred by paragraph 1.12(b) FRS102 not to prepare a cash flow statement as it is part of a group whose consolidated financial statements include a consolidated cashflow.

#### **Taxation**

The charge for taxation is based on the results for the period.

#### **Debtors**

Debtors with no stated interest rate receivable are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in other operating expenses.

#### **Creditors**

Creditors with no stated interest rate payable within one year are recorded at transaction price.

#### **Financial instruments**

The Financial assets and financial liabilities are measured at fair value (including transaction costs).

Financial assets and financial liabilities at fair value are classified using the following fair value hierarchy:

- The best evidence of fair value is a quoted price in an active market.

## Notes to the financial statements

- When quoted prices are unavailable, the price of a recent transaction for an identical asset, adjusted to reflect any circumstances specific to the sale, such as a distress sale if appropriate.
- Where there is no active market or recent transactions then a valuation technique is used to estimate what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal business considerations.

Financial instruments held by the Company are classified as follows:

- Financial assets such as cash, current asset investments and receivables are classified as loans and receivables and held at cost less impairment.
- Financial liabilities such as loans are held at amortised cost using the effective interest method.
- Loans to or from subsidiaries including those that are due on demand are held at amortised cost using the effective interest method.
- Commitments to receive or make a loan from/to another entity are held at cost less impairment.

### **3 Judgements and key sources of estimation uncertainty**

In applying the accounting policies, management made no individual judgements that could have a significant risk of causing a material adjustment to the carrying value of assets and liabilities within the next financial year. The estimates that could result in a material adjustment within the next reporting period are:

- Stock (Note 8)

During the period ended 31<sup>st</sup> March 2019 management have conducted a net realisable value of carrying values. The review was made in reference to the costs to complete existing at reporting date.

If there was a significant movement in these costs to complete beyond management expectation then impairments may be necessary.

### **4 Operating loss**

	<b>2019</b>
	<b>£'000</b>
Is stated after charging:	
Auditor's remuneration	
- For audit services	4
- For non-audit services	2

## Notes to the financial statements

### 5 Directors' emoluments

No remuneration was paid to the directors or the Company Secretary during the period. All directors' emoluments in the period were paid by the ultimate parent company, Jigsaw Homes Group Limited.

### 6 Employee information

No persons were employed by Snugg Properties Limited in the period. All services were supplied by other members of the Jigsaw Homes Group Limited. Amounts due from group undertakings are interest free and due on demand.

### 7 Taxation

	2019 £000
Deferred tax	
Deferred tax	(1)
<b>Total tax credit</b>	<b>(1)</b>

Reconciliation of effective tax rate

	2019 £000
Loss for the year	(6)
Total tax expense	1
<b>Loss excluding taxation</b>	<b>(5)</b>
Tax using the UK corporation tax rate of 19%	(1)
<b>Total tax credit</b>	<b>(1)</b>

### 8 Stock: properties for sale

	2019 £000
Stock : properties for sale (work in progress)	2,202
<b>Total stock: properties for sale</b>	<b>2,202</b>



## Notes to the financial statements

### **9 Trade and other debtors**

	2019
	£000
Deferred tax	1
<b>Total debtors</b>	<b>1</b>

### **10 Creditors: amounts falling due within one year**

	2019
	£000
Trade creditors	2
Accruals and deferred income	29
Amounts owed to group undertakings	330
Intra-group loans	2,400
Other creditors	2
<b>Total creditors</b>	<b>2,763</b>

Amounts owed to group undertakings are interest free and due on demand. Intra-group loans are due on demand and interest is charged at a commercial rate.

### **11 Share capital**

	2019
	£
Ordinary shares of £1 each issued and fully paid	£
At the start of the period	-
Issued during the period	1
<b>31 March 2019</b>	<b>1</b>

The authorised share capital is £1.

## Notes to the financial statements

### **12 Related party transactions**

The ultimate parent company of Snugg Properties Limited is Jigsaw Homes Group Limited and its immediate holding company is Adactus Housing Association Limited. The registered address of the ultimate parent company is Cavendish 249, Cavendish Street, Ashton-under-Lyne, Tameside, OL6 7AT.

The Company has taken advantage of the exemption under Schedule 1 paragraph 66 of FRS102 not to disclose transactions with other Group members.

Copies of the financial statements for Adactus Housing Association Limited and Jigsaw Homes Group Limited can be obtained from the Group Company Secretary, Cavendish 249, Cavendish Street, Ashton-under-Lyne, Tameside, OL6 7AT.

### **13 Legislative provision**

The Company is incorporated under the Companies Act 2006.