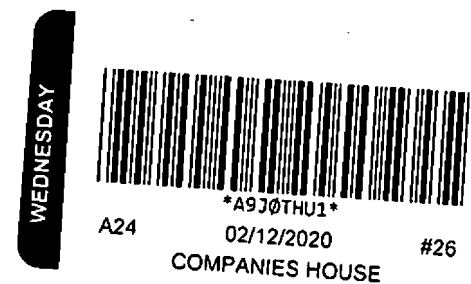


Financial Statements Snugg Properties Limited

For the period ended 31 March 2020



Company no: 11052396

Company information

Company registration number :	11052396
Registered office :	Cavendish 249 Cavendish Street, Ashton-Under-Lyne, OL6 7AT
Directors :	S Akhtar (appointed 1 April 2019) L Garsden A Leah (appointed 1 April 2019) P Lees H Roberts K Marshall (appointed 25 June 2019) J Mutch (appointed 1 April 2019) R Baker (appointed 26 April 2019)
Secretary :	B Moran
Bankers :	National Westminster Bank Plc Manchester City Centre Branch PO Box 305 Spring Gardens Manchester M60 2DB
Auditors :	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 year ended 31 March 2020 and of the position of the Company at 31 March 2020 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, who 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 Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice) FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Company has maintained throughout the year directors' and officers' liability insurance for the benefit of the Company, the directors and its officers. The Company has entered into qualifying third party indemnity arrangements for the benefit of all its directors in a form and scope which comply with the requirements of the Companies Act 2006 and which were in force throughout the year and remain in force.

Political contributions

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

Directors' report

Section 172 statement by the board in performance of their statutory duties

The board consider, both individually and together, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its customers and external stakeholders in the decisions taken during the year ended 31 March 2020.

In doing so, the board continues to have regard (amongst other matters) to:

- the likely consequences of any decision in the long term,
- the need to foster the Company's business relationships with suppliers, customers and others,
- the impact of the Company's operations on the community and the environment,
- the desirability of the Company maintaining a reputation for high standards of business conduct, and
- the need to act fairly as between members of the board of management.

The board set out below how it has had regard to matters set out above when performing our statutory duties and in particular:

The Company provides market sale construction services to the Jigsaw Homes Group and its purpose is designed to have a long-term beneficial impact in the areas in which the Jigsaw operates and to contribute in delivering Jigsaw Homes' Mission of "Creating Homes, Building Lives".

The board continues to operate the business within tight budgetary controls aiming to achieve maximum value for money, in the delivery of this Mission and its underlying strategic objectives. At every board meeting the board reviews with the executive management team, the progress against that year's business plan priorities. This collaborative approach helps it to promote the long-term success of the Company and ultimately board decisions are taken against the backdrop of what it considers to be in the best interest of the long-term success of the Company, Jigsaw Homes Group, the Company's stakeholders, including the community and environment in which it operates, its suppliers and customers.

The board also aims to act responsibly and fairly with how it operates and is fully transparent with its fellow group members.

The board is cognisant of the impact that the Company's operations may have on the community and environment together with our wider societal responsibilities, in the regions in which the Company operates.

The board's intention is to behave both responsibly and fairly and to ensure that the executive management team operate the business in a responsible manner, operating within the high standards of business conduct and good governance expected for a business such as Snugg Properties. The intention is to nurture the Company's reputation, through the delivery of services to reflect this responsible behaviour.

The board further understands that strong governance is essential to the success of the Company. Annually a full board appraisal review process is undertaken to evaluate board member performance and the board alongside the board of Jigsaw Homes Group continue to review the governance framework in order to ensure its principles and processes continue to drive the highest levels of business standards and best practice.

Auditors

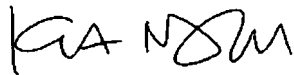
The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware and each director has taken all reasonable steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the Company's

Directors' report

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'.

Katie Marshall
Director

29 September 2020

Strategic report

Background and principal activity

Snugg Properties Limited is a private company limited by shares and at 31 March 2020 was a member of the Jigsaw Homes Group Structure (the Group), of which Jigsaw Homes Group Limited was the ultimate parent company.

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.

The Group's main offices are in Leigh, Ashton-under-Lyne, Chorley and Manchester. The major organisations in the Group are four independent Co-operative and Community Benefit Societies.

Review of the business

In 2018/19, the Company secured funding from Adactus Housing Association Limited and although it has work in progress at 31 March 2020, the Company had not yet completed any properties for sale. Consequently financial performance during the year was as expected.

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 is currently working to complete one site and has secured another further site. Although construction activity has been somewhat delayed due to the government's lockdown in response to the Covid-19 pandemic in the latter period of 2019/20, interest in the units for sale has been positive demonstrated by a high degree of sales reservations, which would indicate high possibility of sales activity being delivered in 2020/21.

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 Company achieving its objectives are considered and reviewed annually by the executive management team of the 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.

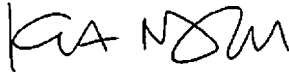
Risks are recorded and assessed in terms of their impact and probability and are reported to the Group's performance, scrutiny and audit committee quarterly, together with any action taken to manage those risks, including assessment of key controls and the outcome of any action.

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 and the recent market and economic uncertainty surrounding the Covid-19 pandemic, 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.

Strategic report

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'.

Signed on behalf of the Board:

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

Katie Marshall
Director

29 September 2020

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 year ended 31 March 2020 which comprise the Statement of Comprehensive Income, the Statement of Financial Position and the 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 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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 information

The Directors are responsible for the other information. The other information comprises the information included in the Directors report, Strategic 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.

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

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

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 and Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report and Strategic 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 Directors' report or Strategic 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 Statement of Directors Responsibilities, 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.

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.

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

A further description of our responsibilities for the audit of the financial statements is located on 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
Manchester, UK

30 September 2020

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

Statement of Comprehensive Income

	Note	2020 £000	2019 £000
Turnover		-	-
Operating expenditure		(7)	(6)
Operating loss	4	(7)	(6)
Interest receivable and similar income		-	-
Interest payable and similar charges		-	-
Loss on ordinary activities before taxation		(7)	(6)
Taxation on profit on ordinary activities	7	(1)	1
Loss on ordinary activities after taxation		(8)	(5)
Total comprehensive income for the period		(8)	(5)

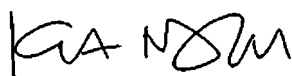
Statement of Financial Position

As at 31 March 2020

	Note	2020 £000	2019 £000
Current assets			
Stock: Properties for sale	8	4,771	2,202
Trade and other debtors	9	1	1
Cash and cash equivalents		194	555
 Less Creditors: amounts falling due within one year	10	(4,979)	(2,763)
Net current assets		<u>(13)</u>	<u>(5)</u>
Total assets less current liabilities		<u>(13)</u>	<u>(5)</u>
 Capital and reserves			
Called up share capital	11	-	-
Revenue reserves		(13)	(5)
Total capital and reserves		<u>(13)</u>	<u>(5)</u>

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

These financial statements were approved and authorised for issue by the board on 8 September 2020 and signed on its behalf on 29 September 2020 by:



Katie Marshall
Director

Company number : 11052396

Statement of Changes in Equity

Period ended 31 March 2020

	Called up share capital	Revenue reserves	Total
	£'000	£'000	£'000
Balance at 31 March 2018	-	-	-
Surplus from Statement of Comprehensive Income	-	(5)	(5)
Other comprehensive income	-	-	-
Balance at 31 March 2019	-	(5)	(5)
Surplus from Statement of Comprehensive Income	-	(8)	(8)
Other comprehensive income	-	-	-
Balance at 31 March 2020	-	(13)	(13)

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

Based on the following assessment the board is comfortable that the Company continues to be a going concern and have therefore produced financial statements on a going concern basis.

The Company's activities, its current financial position and factors likely to affect its future development are set out within the Strategic Report.

The Board approved the Company's 2020/21 budget and thirty year financial plan in March 2020 and were content that these plans were affordable and that the financial statements should be prepared on a going concern basis.

In addition, the board has considered the anticipated impact of Brexit based on known information at this stage, assuming that the Brexit transition period will end on 31 December 2020. As a result, the board do not expect Brexit, within a period of 12 months from the approval of these financial statements, to significantly impact the finances of the Company in relation to the validity of the going concern assumption.

The impact of the Covid-19 outbreak and its financial effect has meant that the Executive Team and Board agreed amended assumptions in revising both the 2020/21 budget and business plan, in order to obtain assurance that the Group remains a going concern over the period of twelve months from the approval of these financial statements.

The Board reviewed a range of scenarios and stress tests in order to fully understand the potential impact on the business plan, including further reductions in rental income collected and changes to economic indicators, e.g. inflation. The Board will continue to review the business plan with the Executive Team to make any necessary changes and continue to work with our customers and stakeholders to deliver exceptional services in an effective, solution-focused way.

The length of the Covid-19 outbreak and the impact of the measures taken by the Government to contain this are unknown and outside of the Group's control however the Board have implemented processes to manage cashflow on a weekly basis and review financial stability as the situation progresses. As a minimum the Board will formally review the business plan as at the end of September 2020, and again in March 2021.

2 Principal accounting policies

Basis of accounting

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

Notes to the financial statements

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.

Notes to the financial statements

Deferred tax

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits,
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met, and
- Where timing differences relate to interests in subsidiaries, associates and joint ventures and the Group can control their reversal and such reversal is not considered probable in the foreseeable future.

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

Stock

Stock represents of properties built for sale. Such properties developed for outright sale are included in current assets as they are intended to be sold, at the lower of cost or estimated selling price less costs to complete and sell. At each reporting date, stock and properties held for sale are assessed for impairment. If there is evidence of impairment, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Statement of Comprehensive Income.

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.
- 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.

Notes to the financial statements

- 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 31st March 2020 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.

Notes to the financial statements

4 Operating loss

	2020	2019
	£000	£000
Is stated after charging:		
Auditor's remuneration		
- For audit services	4	4
- For non-audit services	3	2

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

	2020	2019
	£000	£000
Deferred tax		
Deferred tax	1	(1)
Total tax credit	1	(1)

Reconciliation of effective tax rate

	2020	2019
	£000	£000
Loss for the year	(8)	(6)
Total tax expense	1	1
Loss excluding taxation	(7)	(5)

Notes to the financial statements

Tax using the UK corporation tax rate of 19%	(1)	(1)
Adjustment in respect of prior periods - deferred tax	1	-
Group relief surrendered	1	-
Total tax charge/(credit)	1	(1)

8 Stock: properties for sale

	2020	2019
	£000	£000
Stock : properties for sale (work in progress)	4,771	2,202
Total stock: properties for sale	4,771	2,202

9 Trade and other debtors

	2020	2019
	£000	£000
Deferred tax	1	1
Total debtors	1	1

10 Creditors: amounts falling due within one year

	2020	2019
	£000	£000
Trade creditors	-	2
Accruals and deferred income	72	29
Amounts owed to group undertakings	257	330
Intra-group loans	4,650	2,400
Other creditors	-	2
Total creditors	4,979	2,763

Notes to the financial statements

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, although none has been charged during the period.

11 Share capital

	2020	2019
	£	£
Ordinary shares of £1 each issued and fully paid up		
At the start of the period	1	-
Issued during the period	-	1
31 March 2020	1	1

The authorised share capital is £1.

12 Reserves

Revenue reserves records retained earnings and accumulated losses. Share capital represents the nominal values of shares that have been issued.

13 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, OL6 7AT.

Administration, financial and management facilities are provided by Adactus Housing Association Limited and Jigsaw Homes Group Limited.

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, OL6 7AT.

14 Legislative provision

The Company is incorporated under the Companies Act 2006.