Registration Number: 07105213

BERRY BROOK HOMES

BERRY BROOK HOMES LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the Period Ended 31st March 2019

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Company Information

Directors:

	Board Member (Position)	Date
I	**John Kaiser** (Chairman)	From 16th July 2019
I	**David Chopping** (Chairman)	To 6th June 2019
EM	**Bill Flood** (Managing Director)	
I	**Robin Roberts**	
I	**Derek Cash**	
I	**Fred Wright**	From 16th July 2019
I	**Daniel Sargeant**	From 16th July 2019

I = Independent Member, EM = Executive Member of the Board

Company Secretary:

Rachel Harrison

Registered Office:

Civic Offices, Shute End, Wokingham, Berkshire RG40 1BN

Registered Number:

07105213 (England and Wales)

Senior Statutory Auditor:

Martin Howard FCA

Auditors:

Hazlewoods LLP
Windsor House
Bayshill Road
Cheltenham
Gloucestershire
GL50 3AT

Report of the Directors

The Directors present their report with the financial statements of the company for the year ended 31st March 2019.

Principal Activities

The main trading activity of Berry Brook Homes Limited (BBHL) is to provide social and affordable housing developed with funding from Commuted Sums and borrowing from Wokingham Borough Council (WBC).

Statement of Going Concern

The Company's business activities together with the factors likely to affect its future development, its financial position, financial risk management objectives, and details of its exposure to liquidity and cash flows have been considered by the Directors.

The Directors' Responsibilities

The Directors are responsible for preparing the Report of the Directors 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 financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. 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 judgments and estimates that are reasonable and prudent;
- state whether applicable IFRSs, as adopted by the European Union, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the on-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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of Disclosure to Auditors

So far as the Directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the Directors have taken all the necessary steps that they ought to have taken as Directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

Small Company Provisions

This report has been prepared in accordance with the small companies' regime under the Companies Act 2006.

By order of the Board:

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J.S. Kaiser – Chairman

Date: 19/09/2019

Independent Auditor's Report

Opinion

We have audited the financial statements of Berry Brook Homes Limited for the year ended 31 March 2019, set out on pages 15-18. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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 year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; 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 other information comprises the information included in the annual report, 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 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.

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 for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the has been prepared in accordance with applicable legal requirements.

Matters in Which We are Required to Report by Exception

In the light of our 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 where 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 on page 2, 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 relating 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.

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 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.

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Martin Howard FCA (Senior Statutory Auditor)

For and on behalf of Hazlewoods LLP
Statutory Auditor
Windsor House
Bayshill Road
Cheltenham
Gloucestershire
GL50 3AT

Date: 23 Sep 2019

Statement of Accounting Policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of Preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRIC interpretation as adopted by the EU and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention, and are presented in Pounds Sterling.

The Company is a private limited company incorporated in England and Wales, and is a wholly owned subsidiary of Wokingham Borough Council which is required to prepare accounts in accordance with IFRS adapted for the UK public sector by the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom Guidance Notes for Practitioners 2018/2019 (the Code). Where possible the Company has selected accounting polices consistent with the Code, however where the Code is not applicable IFRS and IFRIC interpretations as adopted by the EU have been followed.

A summary of the more important accounting policies is set out below.

Going Concern

The company's financial statements have been prepared on a going concern basis which assumes an ability to continue operating for the foreseeable future. The company has a development plan of new residential developments that support a profitable business plan.

1. Accruals of Income and Expenditure

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 the fair value of the consideration received or receivable and recognised when prescribed conditions are met, which depend on the nature of the revenue;
- Where income 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.

2. Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions.

Cash equivalents are investments that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with little risk of change in value.

3. Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors

Adjustments applicable to prior years arising from changes in accounting policies are accounted for by restating the comparative figures for the preceding period and by adjusting opening balances as if the new policy had always been applied.

Changes in accounting estimates are accounted for in the current and future years affected by the change but do not give rise to a prior year adjustment.

Material errors are corrected retrospectively by restating the comparative figures for the preceding period and by adjusting the opening balances.

4. Financial Instruments

a) *Financial Liabilities*

Financial liabilities are initially measured at fair value and carried at their amortised cost. Annual charges to the Finance Costs section of the Comprehensive Income Statement for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

For most of the borrowings that the Company has, this means that the amount presented in the Statement of Financial Position is the outstanding principal repayable (plus accrued interest) and interest charged to the Comprehensive Income Statement is the amount payable for the year according to the loan agreement.

Gains and losses on the repurchase or early settlement of borrowing are credited and debited to the Finance Costs section of the Comprehensive Income Statement in the year of repurchase / settlement. However, where repurchase has taken place as part of a restructuring of the loan portfolio that involves the modification or exchange of existing instruments, the premium or discount is respectively deducted from or added to the amortised cost of the new or modified loan and the write-down to the Comprehensive Income Statement is spread over the life of the loan by an adjustment to the effective interest rate.

b) Financial Assets

Financial assets are classified as loans and receivables – assets that have fixed or determinable payments but are not quoted in an active market.

i. Loans and Receivables

Loans and receivables are initially measured at fair value and are subsequently carried at their amortised cost. Annual credits to the Financing and Investment section of the Comprehensive Income Statement for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the loans that the Company has made, this means that the amount presented in the Statement of Financial Position is the outstanding principal receivable (plus accrued interest) and interest credited to the Comprehensive Income Statement is the amount receivable for the year in the loan agreement.

Any gains and losses that arise on the de-recognition of the asset are credited / debited to the Financing and Investment section of the Comprehensive Income Statement.

Where the Company may make loans at less than market rates, these are called soft loans. Due to the low value of advances made which may be considered as soft loans, the Company applies de minimis principles to soft loans.

5. Investment Properties

Investment properties are those that are used solely for other than social and affordable rentals and / or capital appreciation. The definition is not met if the property is used in any way to facilitate the delivery of services or production of goods or is held for sale.

Investment properties are measured initially at cost and subsequently at fair value, based on the amount at which the asset could be exchanged between knowledgeable parties at arm's-length. Properties are not depreciated but are revalued annually, according to market conditions at the year end. Gains and losses on revaluation or disposal are posted to the Financing and Investment section of the Income and Expenditure Statement.

Rentals received in relation to investment properties are credited to the Financing and Investment section of the Income and Expenditure Statement.

6. Overheads and Support Services

Costs are purchased as a supply to the Company. The product or service supplied is accounted for on the basis of cost agreed or accrual.

7. VAT

The Company supplies only VAT Exempt services and is therefore not registered for VAT. All costs are therefore accounted for inclusive of VAT where charged.

8. Corporation Tax

Corporation Tax is accounted for in the Comprehensive Income Statement on an accrued basis using an estimate of corporate tax liability for the year. Any losses are offset against future profits.

9. Government Grants and Contributions

WBC prepares its accounts in accordance with IFRS adapted for the UK public sector by the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom Guidance Notes for Practitioners 2018/19 (the Code). Its treatment of Government Grants requires them to be reversed out of the Comprehensive Income Statement so that it does not affect Council Tax calculations. BBHL had adopted a treatment different from WBC's as it had followed IAS 20 which allows Government Grants to be deducted in arriving at the carrying amount of an asset. Government grants have now been extracted separately from the assets to which they relate and amortised over the equivalent useful life of the asset to which they relate.

Whatever their basis of payment, government grants and other contributions or donations are accounted for on an accruals basis. Revenue grants are recognised in the Comprehensive Income Statement once the conditions for their receipt have been complied with and there is reasonable assurance that the grant or contribution will be received. Where conditions have not been satisfied, the grant or contribution is carried in the Statement of Financial Position as a creditor.

10. Charges to the Comprehensive Income Account for Non-Current Assets

The Comprehensive Income Account is charged with the following amounts to record the cost of holding fixed assets during the year:

- depreciation attributable to the assets used by the company.
- revaluation and impairment losses on assets used where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off
- amortisation of intangible fixed assets

11. Property, Plant and Equipment (PPE)

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment.

i. Recognition

Items of PPE that qualify for recognition will be measured at cost and capitalised on an accruals basis. Cost is defined as either purchase price, costs attributable to bringing the asset to location and condition necessary for it to be capable of operating in the manner intended by management or the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

ii. ***De-Minimis***

Capitalisation of expenditure on PPE is not necessary where the amounts involved are not material to the true and fair presentation of the financial position and transactions of the Company and to an understanding of the Statement of Accounts by a reader. The Company has agreed a de-minimis level of £5,000 for expenditure to be capitalised.

iii. ***Measurement***

Assets will be disclosed and valued on the Statement of Financial Position on the following bases:

Asset Category	Valuation Method
Infrastructure Assets	Depreciated Historic Cost
Investment Properties	Fair Value

iv. ***Depreciation***

Depreciation is provided for on all Property, Plant and Equipment with a finite useful life, which is determined at the time of acquisition or revaluation. An exception is made for assets without a determinable useful life (e.g. freehold land and some community assets) and assets not yet available for use (e.g. Assets under Construction). The useful lives of assets are estimated on a realistic basis and are reviewed regularly and, where necessary, revised. Where the useful life of a fixed asset is revised, the carrying amount of the fixed asset is depreciated over the revised remaining useful life.

Depreciation is calculated on the amount at which the asset is included in the Statement of Financial Position, whether current cost or historical cost. Depreciation has been calculated as follows:

- All assets are depreciated on a straight line basis over the useful life of the asset taking into account land value and residual value with the exception of vehicles which are depreciated on a reducing balance method.
- Investment Properties are not depreciated; instead these are revalued on an annual basis.
- Newly acquired assets are not depreciated in the year of acquisition, while assets under construction are only depreciated once the asset becomes operational.

A change from one method of providing depreciation to another is only made where the new method will give a fairer presentation of the results and of the financial position. Such a change does not, however, constitute a change of accounting policy; the carrying amount of the fixed asset is depreciated using the revised method over the remaining useful life, beginning in the period in which the change is made.

The following depreciation is charged on a straight line basis over the expected useful life of that asset:

Component	Years
Unadopted Infrastructure	50
Structure	100
Roof	55
Windows & Doors	35
Kitchen	20
Bathroom	30
Heating Boiler	15
Other Heating	20
Electrics	30
Renewable Energy Assets	20
Communal	20

v. Impairment

The value at which each category of assets is included in the Statement of Financial Position is reviewed at each year-end. Where there is reason to believe that its value has changed materially in the period, the recoverable amount of the asset is estimated and where this is less than the carrying amount, an impairment loss is recognised for the shortfall. Events and changes in circumstances that indicate a reduction in value may have incurred include:

- a significant decline in an asset's market value during the period
- evidence of obsolescence or physical damage to the asset
- a significant adverse change in the statutory or other regulatory environment in which the Company operates
- a commitment by the Company to undertake a significant reorganisation.

Once the amount of impairment is established, they are accounted for as follows:

- where there is a balance of revaluation gains for asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance up to the amount of the accumulated gains
- if there is insufficient or no balance in the Revaluation Reserve , the carrying amount of the asset is written down and charged to the Comprehensive Income Statement

Where an impairment loss is subsequently reversed, the reversal is credited to the Comprehensive Income Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

vi. Shared Ownership Properties

The costs of low cost home ownership properties are split between current and fixed assets on the basis of the first tranche portion. The first tranche portion is accounted for as a current asset and the sales proceeds shown as Turnover. The remaining element of the shared ownership property is accounted for as a fixed asset and subsequent sales treated as sales of fixed assets.

vii. ***Donated Assets***

Donated assets transferred to the Company for nil consideration are recognised at fair value in the Comprehensive Income Statement once any conditions attaching to them have been met.

viii. ***Capitalisation of interest***

The company borrows funds to contract for the construction of new properties and makes payments on a periodic basis for the ongoing construction. The borrowings to finance this construction incur interest which while that development is being constructed is capitalised as part of the cost of that asset. Interest is only capitalised up to the date at which that development is made available for rental or partial sale thereof.

ix. ***Improvements to properties***

The company capitalises expenditure on housing properties which adds to the value of the property and extends its useful life. Improvements to property that relate to existing assets and that are separately identifiable are also capitalised but under a category separate from the property.

12. Interests in Companies and Other Entities

The Company has no interests in a company that has the nature of a subsidiary, associate or jointly controlled entity.

13. Leases

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases. Where a lease covers both land and buildings, they are considered separately for classification.

Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets.

i. ***The Company as Lessee***

FINANCE LEASES

Property, plant and equipment held under finance leases is recognised on the Statement of Financial Position at the commencement of the lease at its fair value measured at the lease's inception (or the present value of the minimum lease payments, if lower). The asset recognised is matched by a liability for the obligation to pay the lessor.

Initial direct costs of the Company are added to the carrying amount of the asset. Premiums paid on entry into a lease are applied to writing down the lease liability. Contingent rents are charged as expenses in the periods in which they are incurred.

Rentals payable are apportioned between:

- a charge for the acquisition of the interest in the property (recognised as a liability in the Statement of Financial Position at the start of the lease, at the lower of its fair value at inception or the present value of the minimum lease payment, matched by a liability for the obligation to pay the lessor – the liability is written down as the rent becomes payable), and

- a finance charge (debited to the Comprehensive Income Statement as the rent becomes payable).

Assets recognised under finance leases are accounted for using the policies applied generally to Property, Plant and Equipment, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life.

OPERATING LEASES

Where assets are acquired by the Company (as a lessee) under operating leases, the leasing rentals payable are charged to the Comprehensive Income Statement as they are made.

Any hire purchase contracts that have similar characteristics to an operating lease are accounted for as an operating lease and disclosed in a note to the Statement of Financial Position.

14. Employee Benefits

The Company does not have contracted employees as it subcontracts labour from one of its sister companies, Loddon Homes Limited.

Statement of Comprehensive Income

	Notes	12 Months to 31st March 2019 £	12 Months to 31st March 2018 £
Revenue		775,811	370,607
Other Expenses	20	(534,668)	(298,067)
Change in Fair Value through Profit & Loss	6	-	-
Profit / (Loss) from Operations		**241,143**	**72,540**
Finance Costs	5	(472,237)	(77,827)
Profit / (Loss) before Income Taxes from Continuing Operations		(231,094)	(5,287)
Taxation	23	-	-
Profit / (Loss) and Total Comprehensive Income Attributable to Shareholders		(231,094)	(5,287)

The accounting policies on pages 7-14 and the notes on pages 19-26 are an integral part of these financial statements.

Statement of Financial Position

	Notes	31st March 2019 £	31st March 2018 £
Non-Current Assets			
Housing Properties	10	15,272,453	15,324,722
Other Property, Plant and Equipment		3,936,000	3,968,000
Other Receivables		-	-
		19,208,453	**19,292,722**
Current Assets			
Trade and Other Receivables	11	327,801	311,446
Cash and Cash Equivalents	12	48,779	85,974
		376,580	**397,420**
TOTAL ASSETS		**19,585,034**	**19,690,142**
Current Liabilities			
Amounts Falling Due Within One Year	13	635,931	393,679
		635,931	**393,679**
Net Current Assets		**(259,351)**	**3,741**
Non-Current Liabilities			
Amounts Falling Due After One Year	14	10,771,823	10,401,571
Financial Liabilities – Borrowing	14	8,413,028	8,899,546
		19,184,850	**19,301,117**
TOTAL LIABILITIES		**19,820,782**	**19,694,796**
Net Assets		**(235,748)**	**(4,654)**
Retained Deficit		(238,748)	(7,654)
Share Capital	19	3,000	3,000
TOTAL EQUITY		**(235,748)**	**(4,654)**

The financial statements were approved by the Board of Directors and signed on its behalf by:

Approved on behalf of the board

....

J. S. Kaiser – Chairman W. J. Flood – Director

Date: 18/9/2019 Date: 18/9/2019

The accounting policies on pages 7-14 and the notes on pages 19-26 are an integral part of these financial statements.

Statement of Changes in Equity

	Retained Deficit £	Share Capital £	Total £
Balance at 31st March 2016	(2,094)	3,000	906
Comprehensive Income / (Loss)	(273)	-	(273)
Balance at 31st March 2018	(2,367)	3,000	633
Comprehensive Income / (Loss)	(5,287)	-	(5,287)
Balance at 31st March 2019	(7,654)	3,000	(4,654)

The accounting policies on pages 7-14 and the notes on pages 19-26 are an integral part of these financial statements.

Statement of Cash Flows

	Notes	12 Months to 31st March 2019 £	12 Months to 31st March 2018 £
Cash Flows from Operations			
Operating Profit / (Loss)		241,143	72,540
Depreciation and Impairment Charges		304,758	171,018
Change in Trade and Other Receivables	11	(16,356)	(311,446)
Change in Trade and Other Payables	10	242,252	393,199
Cash Generated from Operations		771,798	325,311
Interest Paid	5	(472,237)	(77,827)
Income Tax Paid	16	-	-
Net Cash Flows from Operating Activities		**299,561**	**247,484**
Cash Flows from Investing Activities			
Repayment / (Provision) of Long-term Loan		-	-
Transfer of Property, Plant and Equipment to/from Intra-group Companies		66,839	(9,531,665)
Purchase of Property, Plant and Equipment	10	(287,329)	(9,932,075)
Net Cash Flows from Investing Activities		**(220,490)**	**(19,463,740)**
Cash Flows from Financing Activities			
Proceeds / (Repayment) of Borrowing		(486,518)	8,899,546
Receipt of Grant		370,252	10,401,572
Issue of Shares	17	-	-
Net Cash Flows from Financing Activities		**(116,267)**	**19,301,117**
Net Increase / (Decrease) in Cash and Cash Equivalents		(37,195)	84,861
Cash and Cash Equivalents at Beginning of Year		85,974	1,113
Cash and Cash Equivalents at End of Year	9	**48,779**	**85,974**

The accounting policies on pages 7-14 and the notes on pages 19-26 are an integral part of these financial statements.

Notes to the Financial Statements

1. **Accounting Policies**

The accounting policies used to complete this Statement of Accounts are produced in full in section 4.

2. **Critical Judgements in Applying Accounting Policies**

In applying the accounting policies set out earlier, the Company has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are:

WBC has ultimate control over the operating activities of BBHL and as such classifies this company as a subsidiary. These financial statements are therefore shown in the consolidated accounts for WBC.

3. **Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty**

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 account 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 BBHL's Statement of Financial Position at 31st March 2019 for which there is a significant risk of material adjustment in the forthcoming financial year.

4. **Material Items of Income and Expense**

There are no Material Items of Income and Expense during year to 31st March 2019 which related to BBHL's Non-Current Assets.

5. **Interest Payable and Financing Costs**

	12 Months to 31st March 2019 £	12 Months to 31st March 2018 £
Interest charged in borrowings and capitalised as asset cost		
Capital Loans	23,589	923,566
Interest Payable		
Capital Loans	472,237	77,827
TOTAL	**472,237**	**77,827**

6. Change in Fair Value Through Profit & Loss

The Company holds properties for the provision of social housing or to otherwise provide social benefit. Housing properties are principally properties available for rent and are stated at cost less accumulated depreciation and impairment losses. Cost includes the cost of acquiring land and buildings, development costs, interest charges incurred during the development period. As a result, the Company records no changes in fair value through profit & loss.

7. Surplus on Ordinary Activities

	12 Months to 31st March 2019 £	12 Months to 31st March 2018 £
The operating surplus is stated after charging / (crediting):		
Auditors Remuneration (excluding VAT):		
In their capacity as Auditors	4,110	2,910
In respect of other services	-	-
Depreciation charge for the year	304,758	171,018

8. Employee Costs

The Company subcontracts it labour through one of its sister companies, Loddon Homes Limited (LHL). These are apportioned on a pro-rata basis given the support required and are charged at a 3% margin for administrative costs. These costs are included under operating expenses in the Statement of Financial Position.

9. Directors' Remuneration

The Company paid the following amounts to Directors of the Company during the year:

	12 Months to 31st March 2019 £	12 Months to 31st March 2018 £
David Chopping	6,465	3,153
Derek Cash	3,000	3,000
Robin Roberts	3,000	3,000
TOTAL	**12,465**	**9,153**

Mr Chopping is a Member of Wokingham Borough Council who has been appointed to the board of the company. He is paid Members Allowances by WBC for sitting on the board of the company but is not an employee of the company. The directors are considered to be the key management personnel of the company.

10. Housing Properties

	Housing Properties £	Housing Properties Under Construction £	Total Housing Assets £
Cost			
At start of the year	14,107,442	1,356,298	15,463,740
Additions to properties	-	287,329	287,329
(Transfer) to Wokingham Housing Ltd	-	(66,839)	(66,839)
(Transfer) to Housing Properties	685,500	(685,500)	-
At end of the year	14,792,942	891,288	15,684,230
Depreciation			
At start of the year	139,018	-	139,018
Charge for the year	272,759	-	272,759
At end of the year	411,777	-	411,777
Net Book Value at 31st March 2019	**14,381,165**	**891,288**	**15,272,453**
Net Book Value at 1st April 2018	**13,968,424**	**1,356,298**	**15,324,722**

All housing properties owned by the company are constructed on land that has been leased to the company under a long term 125 year lease.

The existing scheme and properties rented by the company have been occupied for less than 1 years and no improvement works have been required during the year to 31st March 2019.

In 2018/19, assets under construction for the Grovelands developments were transferred back to Wokingham Housing Limited (WHL) for the amount of £66,839, as part of settlement of the final account for the development, which ran over the contracted transfer price agreement. There have been no assets identified as requiring impairment to its carrying value.

11. Trade and Other Receivables

These are amounts that were due to BBHL in full at the end of the accounting year and are net of doubtful debt provisions. They can be analysed as follows:

	12 Months to 31st March 2019 £	12 Months to 31st March 2018 £
Net Intra-Group Debtors	133,639	97,329
Amount owed by WBC / WBC (Holdings) Limited	1,704	17,980
Prepayments	192,459	196,136
TOTAL	**327,801**	**311,445**

The decision to impair the relevant receivables is based on an independent review of each case on its own merits rather than its ageing profile. The ageing profile of the provision is, however, shown below:

	12 Months to 31st March 2019 £	12 Months to 31st March 2018 £
Less than One Month	109,907	87,942
More than One Month	23,731	9,387
TOTAL	**133,639**	**97,329**

The prepayments and amounts owed by WBC and the parent undertaking do not contain impaired assets.

12. Cash and Cash Equivalents

The following elements comprise Cash and Cash Equivalents:

	31st March 2019 £	31st March 2018 £
Cash at Bank and In Hand	48,779	85,974
TOTAL	**48,779**	**85,974**

13. Creditors: Amounts Falling Due Within One Year

	31st March 2019 £	31st March 2018 £
Trade Payables	180,528	196,559
Amounts Owed to Parent Undertakings	64,755	-
Amount Owed to Sibling Companies	5,731	5,731
Deferred Capital Grants	247,089	89,464
Accruals	137,829	101,925
TOTAL	**635,931**	**393,679**

14. Creditors: Amounts Falling Due After More Than One Year

	Note	31st March 2019 £	31st March 2018 £
Bank Loans	19	8,413,028	8,899,546
Deferred Capital Grants	21	10,771,823	10,401,571
TOTAL		**19,184,850**	**19,301,117**

15. Debt Analysis

	31st March 2019 £	31st March 2018 £
Repayable in less than one year	-	-
Repayable between year two and five	-	-
Repayable in over 5 years	8,413,028	8,899,546
TOTAL	**8,413,028**	**8,899,546**

The intra-group loan from WBC (Holdings) Limited funds the development of new residential accommodation for BBHL and is secured against specific land and properties of the company.

Interest on the intra-group loan from WBC (Holdings) Limited has a fixed term of 3 years at 5.75% from 1st April 2017 and a variable rate of 3.5% thereafter.

16. Leases

BBHL does not hold any finance leases, whether in or out. The provision of affordable accommodation is provided on a Tenancy Agreement basis and these are not treated as leases.

The Company does not have any operating leases.

17. Deferred Grant Income

	31st March 2019 £	31st March 2018 £
Gross total of grants received and accounted for in the financial statements	11,265,000	10,580,500
Balance at the Start of the Year	10,491,036	-
Grant Received in the Year	685,500	10,580,500
Released to Income	(157,624)	(89,464)
Balance at the End of the Year	**22,283,912**	**10,491,036**
Amounts to be Released in One Year	157,624	89,464
Amounts to be released in More Than One Year	22,126,287	10,401,572
Balance at the End of the Year	**22,283,912**	**10,491,036**

18. Capital Commitments

	31st March 2019 £	31st March 2018 £
Capital Expenditure that has been contracted for but has not been provided for in the financial statements	-	241,462
Capital Expenditure that has been authorised by the Board of Directors but has not yet been contracted for	-	-
TOTAL	**-**	**241,462**

19. Called Up Share Capital

At 31st March 2019, three thousand authorised and fully paid Ordinary £1.00 share was held by WBC (Holdings) Limited. During 2018/19, no further share issues were authorised. Therefore at 31st March 2019, three thousand authorised and fully paid Ordinary £1.00 share was held by WBC (Holdings) Limited.

Issued, called up and fully paid shares are as follows:

	31st March 2019	31st March 2018
	£	£
Called Up Share Capital	3,000	3,000
Total Share Capital	**3,000**	**3,000**

20. Financial Instruments

The following categories of financial instrument are carried in the Statement of Financial Position:

		31st March 2019	31st March 2018
	Note	£	£
Trade and Other Payables	12	(635,931)	(393,679)
Financial Liabilities - Borrowing	14	(8,413,028)	(8,899,546)
Trade and Other Receivables	10	327,801	311,445
Cash at Bank and in Hand	11	48,779	85,974

Non-current Financial Liabilities - Borrowings represent long-term loans from WBC (Holdings) Ltd of £8,413,028. Other Receivables include the amount then loaned to Wokingham Housing Limited for capital purposes.

Short term assets and liabilities are carried at cost as this is a fair approximation of their value.

The Company's activities expose it to a variety of financial risks:

- credit risk – the possibility that other parties might fail to pay amounts due to the Company
- liquidity risk – the possibility that the Company might not have funds available to meet its commitments to make payments
- re-financing risk – the possibility that the Company might be requiring to renew a financial instrument on maturity at disadvantageous interest rates or terms

Credit Risk

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

The Company's main exposure to a credit risk at 31st March 2019 arose from loans to Wokingham Housing Limited. The loans are long term and interest is charged at a fixed rate 5.75% for three years from 1st April 2016 and at a variable rate of 3.5% thereafter.

Liquidity Risk

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

The Company's exposure to a liquidity risk at 31st March 2019 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 5.75% for three years from 1st April 2016 and at a variable rate of 3.5% thereafter.

21. Related Parties

The Company has applied the exemption available in paragraphs 25 of IAS 24, and has therefore not provided detailed disclosure of its transactions with WBC and other companies under the control of WBC.

A summary of the Company's transactions with WBC and other companies controlled by WBC is shown below:

- WBC provides various support services to the Company, which are included in 'other expenses'. Amounts owed to WBC in respect of these services are included in 'trade and other payables';
- The Company provides services to WBC. Amounts owed by WBC are included in 'trade and other receivables';
- WBC (Holdings) Ltd has provided loans to the Company, as described in note 19.
- The Company subcontracts its staff to its sister companies, Wokingham Housing Limited (WHL) and Berry Brook Homes Limited (BBHL). These amounts are netted off in the wages and salaries category with a small margin of 2-3% included in chargeable services in the income category.

22. Ultimate Parent

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

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

23. Corporation Tax

As a result of the current year property trade loss of £235,748, the company is not expected to incur a corporation tax liability on its results for the period ended 31st March 2019 and all losses will be carried forward to future periods. The company has not recognised a deferred tax asset in respect of its losses.