

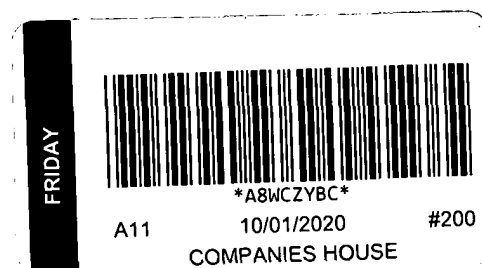
Registrar -

Company registration number: 1970223

**Wiggett Homes Limited**

**Financial statements**

**31 July 2019**



# **Wiggett Homes Limited**

## **Contents**

	<b>Page</b>
Directors and other information	<b>1</b>
Strategic report	<b>2 - 3</b>
Directors report	<b>4 - 5</b>
Independent auditor's report to the members	<b>6 - 8</b>
Statement of income and retained earnings	<b>9</b>
Statement of financial position	<b>10</b>
Statement of cash flows	<b>11</b>
Notes to the financial statements	<b>12 - 20</b>

## **Wiggett Homes Limited**

### **Directors and other information**

<b>Directors</b>	P J Wiggett S P J Wiggett Mrs J C Sutton
<b>Secretary</b>	P J Wiggett
<b>Company number</b>	1970223
<b>Registered office</b>	Viking House 449 Middleton Road Chadderton Oldham OL9 9LB
<b>Business address</b>	Viking House 449 Middleton Road Chadderton Oldham OL9 9 LB
<b>Auditor</b>	Wrigley Partington Sterling House 501 Middleton Road Chadderton Oldham OL9 9LY
<b>Bankers</b>	Handelsbanken 9 Salmon Fields Business Village Royton Oldham OL2 6HT

## **Wiggett Homes Limited**

### **Strategic report Year ended 31 July 2019**

#### **Review and analysis of the business during the current year**

In the past year we completed on the sale of 52 new build properties to private clients, an increase on the previous year. Sales have been achieved over 7 development sites which cover both current and future years.

We have had a very good start to the current financial year and expect to achieve our target of 82 new build sales. We continue to do some work for Registered Providers, but this is much reduced from previous years and in the main these are turnkey projects where we have provided the site. We do consider that the change in direction will provide us with a better rate of profit going forward and we have better controls on the business. Contracting work contributed 17% (2018 - 20%) of total turnover in the past year.

#### **Future developments**

Over the past five years the nature of the business has changed somewhat in that we are now developing more sites for private sale. Our target in the forthcoming year is 82 new build completions and around 100 the year after. We will continue to develop and expand the private development side of our business whilst demand remains strong. Staff numbers have reduced as we need less staff with private development than with contracting.

We have a land bank of some 150 plots, all with planning permission, owned by the group and options on a further 48 plots. The number of tenders and contracting work remains low. Our intention is to be successful with some framework applications currently in the pipeline which will ensure we maintain a presence in this sector.

#### **Principal risks and uncertainties:**

##### **Health & Safety**

We continue to maintain a good record with HSE and for another consecutive year can report no notices issued. Wiggett Construction Group have renewed their accreditation to Chas and have appointed new specialist third party providers for external consultancy services and site safety auditing. As the HSE raise the bar in areas such as occupational health, further training and resources are required to meet the challenges and stay ahead of current legislation. Jointly with employee consultation and collaboration, the aid of the audit report and benchmarking tools we continue to monitor and control health and safety performance across the business while maintaining a learning culture.

##### **Brexit**

Due to continued negotiations surrounding the UK's exit from the European Union the outlook for the UK economy remains uncertain. This may have an impact on consumer confidence affecting demand in the housing market resulting in lower revenues, margins and cashflow although we do not expect the impact to be as bad as first feared.

##### **Inflation**

Inflation, both in labour and materials continues to be an issue as since the outcome of Brexit costs have risen on all fronts, materials is an example with manufacturers asking for 15%-20% increases. A shortage of skilled labour has also led to increases in prices as demand exceeds supply.

**Wiggett Homes Limited**

**Strategic report (continued)**

**Year ended 31 July 2019**

**Financing**

We continue to self-fund the bulk of our output. Our site at Hare Hill Mill in Littleborough is currently partly funded by the Greater Manchester Housing Fund and going forward we expect to obtain further funding from GMHF as well as Homes England, both of whom we have an established track record with and offer very competitive rates of interest.

The board of directors regularly monitor these risks and take action to mitigate their impact on the business.

This report was approved by the board of directors on 18 December 2019 and signed on behalf of the board by:

A handwritten signature in black ink, appearing to be 'JCS', written in a cursive style.

Mrs J C Sutton  
Director

## **Wiggett Homes Limited**

### **Directors report Year ended 31 July 2019**

The directors present their report and the financial statements of the company for the year ended 31 July 2019.

#### **Directors**

The directors who served the company during the year were as follows:

P J Wiggett  
S P J Wiggett  
Mrs J C Sutton

#### **Dividends**

Particulars of recommended dividends are detailed in note 12 to the financial statements.

#### **Financial instruments**

The company continually reviews the selling prices of its properties for resale to ensure suitable margins are achieved, and adequate cash resources are maintained. The directors consider the disclosure of these policies will not be material when assessing the assets, liabilities, financial position and profit or loss of the company.

#### **Disclosure of information in the strategic report.**

In accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, the company has chosen to include the business review, details of the principal risks and uncertainties facing the company and details of future developments within the strategic report.

#### **Directors responsibilities statement**

The directors are responsible for preparing the strategic report, 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 the directors have elected to prepare the 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 company and 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 accounting estimates that are reasonable and prudent; 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 safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Wiggett Homes Limited**

**Directors report (continued)**

**Year ended 31 July 2019**

**Auditor**

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

This report was approved by the board of directors on 18 December 2019 and signed on behalf of the board by:

A handwritten signature in black ink, appearing to be 'JCS', written in a cursive style.

Mrs J C Sutton  
Director

## **Wiggett Homes Limited**

### **Independent auditor's report to the members of Wiggett Homes Limited Year ended 31 July 2019**

#### **Opinion**

We have audited the financial statements of Wiggett Homes Limited (the 'company') for the year ended 31 July 2019 which comprise the statement of income and retained earnings, statement of financial position, statement of cash flows and 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 FRS 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 July 2019 and of its profit 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.



## **Wiggett Homes Limited**

### **Independent auditor's report to the members of Wiggett Homes Limited (continued) Year ended 31 July 2019**

#### **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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report 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 strategic report or the directors' 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 the returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. we also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

**Wiggett Homes Limited**

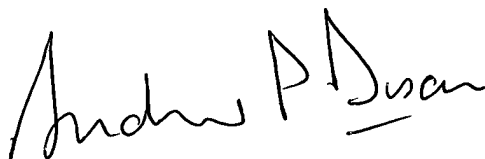
**Independent auditor's report to the members of  
Wiggett Homes Limited (continued)  
Year ended 31 July 2019**

- Conclude on the appropriateness of the directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Andrew P Dixon FCA (Senior Statutory Auditor)

For and on behalf of  
Wrigley Partington  
Chartered Accountants and Statutory Auditor  
Sterling House  
501 Middleton Road  
Chadderton  
Oldham  
OL9 9LY

18 December 2019

**Wiggett Homes Limited**

**Statement of income and retained earnings  
Year ended 31 July 2019**

	Note	2019 £	2018 £
<b>Turnover</b>	<b>4</b>	9,863,979	10,337,969
<b>Cost of sales</b>		(9,040,405)	(8,792,709)
<b>Gross profit</b>		<u>823,574</u>	<u>1,545,260</u>
<b>Administrative expenses</b>		(782,776)	(1,247,902)
<b>Other operating income</b>	<b>5</b>	<u>104,995</u>	<u>131,145</u>
<b>Operating profit</b>	<b>6</b>	<u>145,793</u>	<u>428,503</u>
<b>Other interest receivable and similar income</b>	<b>9</b>	3,819	3,128
<b>Interest payable and similar expenses</b>	<b>10</b>	<u>(120,000)</u>	<u>(139,849)</u>
<b>Profit before taxation</b>		<u>29,612</u>	<u>291,782</u>
<b>Tax on profit</b>	<b>11</b>	<u>(24,769)</u>	<u>(33,619)</u>
<b>Profit for the financial year and total comprehensive income</b>		<u><u>4,843</u></u>	<u><u>258,163</u></u>
<b>Dividends declared and paid or payable during the year</b>		-	(150,000)
<b>Retained earnings at the start of the year</b>		<u>2,233,246</u>	<u>2,125,083</u>
<b>Retained earnings at the end of the year</b>		<u><u>2,238,089</u></u>	<u><u>2,233,246</u></u>

All the activities of the company are from continuing operations.

The notes on pages 12 to 20 form part of these financial statements.

**Wiggett Homes Limited**

**Statement of financial position  
31 July 2019**

	Note	2019 £	£	2018 £	£
<b>Fixed assets</b>					
Intangible assets	13	150,100		153,100	
Tangible assets	14	1,150,000		2,457,058	
			1,300,100		2,610,158
<b>Current assets</b>					
Stocks	15	14,725,037		10,794,672	
Debtors	16	325,276		479,258	
Cash at bank and in hand		964,772		959,241	
		16,015,085		12,233,171	
<b>Creditors: amounts falling due within one year</b>	17	(14,946,829)		(12,479,816)	
<b>Net current assets/(liabilities)</b>			1,068,256		(246,645)
<b>Total assets less current liabilities</b>			2,368,356		2,363,513
<b>Provisions for liabilities</b>	18		(130,167)		(130,167)
<b>Net assets</b>			2,238,189		2,233,346
<b>Capital and reserves</b>					
Called up share capital	20		100		100
Profit and loss account	21		2,238,089		2,233,246
<b>Shareholders funds</b>			2,238,189		2,233,346

These financial statements were approved by the board of directors and authorised for issue on 18 December 2019, and are signed on behalf of the board by:



Mrs J C Sutton  
Director

Company registration number: 1970223

**The notes on pages 12 to 20 form part of these financial statements.**

**Wiggett Homes Limited**

**Statement of cash flows  
Year ended 31 July 2019**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Cash flows from operating activities</b>		
Profit for the financial year	4,843	258,163
<i>Adjustments for:</i>		
Other interest receivable and similar income	(3,819)	(3,128)
Interest payable and similar expenses	120,000	139,849
Gain/(loss) on disposal of Intangible assets	(6,000)	(15,519)
Tax on profit	24,769	33,619
Accrued expenses/(income)	-	341,400
Ground rents created	-	(33,000)
Transfer land from tangible fixed assets	1,307,058	-
<i>Changes in:</i>		
Stocks	(3,930,365)	(3,100,440)
Trade and other debtors	153,982	3,951
Trade and other creditors	1,645,018	(333,111)
Cash generated from operations	(684,514)	(2,708,216)
Interest paid	(120,000)	(139,849)
Interest received	3,819	3,128
Tax paid	(33,619)	(13,063)
Net cash used in operating activities	<u>(834,314)</u>	<u>(2,858,000)</u>
<b>Cash flows from investing activities</b>		
Proceeds from sale of intangible assets	9,000	23,644
Net cash from investing activities	<u>9,000</u>	<u>23,644</u>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	830,845	-
Equity dividends paid	-	(150,000)
Net cash from/(used in) financing activities	<u>830,845</u>	<u>(150,000)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>5,531</b>	<b>(2,984,356)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>959,241</b>	<b>3,943,597</b>
<b>Cash and cash equivalents at end of year</b>	<b><u>964,772</u></b>	<b><u>959,241</u></b>

## **Wiggett Homes Limited**

### **Notes to the financial statements Year ended 31 July 2019**

#### **1. General information**

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Viking House, 449 Middleton Road, Chadderton, Oldham, OL9 9LB. The principal activity of the company continues to be that of property developers and holding of investment properties.

#### **2. Statement of compliance**

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

#### **3. Accounting policies**

##### **Basis of preparation**

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

##### **Related party exemption**

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", not to disclose related party transactions with wholly owned subsidiaries within the group.

##### **Turnover**

Turnover represents the sales of developed properties on contracts completed during the year.

##### **Taxation**

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in capital and reserves. In this case, tax is recognised in other comprehensive income or directly in capital and reserves, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

##### **Ground rents created**

Ground rents are created at five times the annual amount receivable in the year in which the leasehold interest in land is established. Ground rents are credited to profit and loss account in the year in which they are received. No depreciation is charged on capitalised ground rents because the net realisable value is considered to be at least equal to the net book value.

## **Wiggett Homes Limited**

### **Notes to the financial statements (continued)** **Year ended 31 July 2019**

#### **Tangible assets**

Tangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated depreciation and impairment losses.

Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in capital and reserves, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in capital and reserves in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in capital and reserves in respect of that asset, the excess shall be recognised in profit or loss.

#### **Depreciation**

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Investment properties - Not depreciated

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of tangible assets, the depreciation is revised prospectively to reflect the new estimates.

#### **Investment property**

Investment property is measured initially at cost, which includes purchase price and any directly attributable expenditure. Investment property is revalued to its fair value at each reporting date and any changes in fair value are recognised in profit or loss.

If a reliable measure of fair value is not available without undue cost or effort it shall be transferred to tangible assets and accounted for under the cost model until it is expected that fair value will be reliably measurable on an on-going basis.

#### **Impairment**

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

When it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

#### **Stocks**

Work in progress is valued at the lower of cost and net realisable value. Costs include all direct costs and where appropriate a proportion of fixed and variable costs.

## Wiggett Homes Limited

### Notes to the financial statements (continued) Year ended 31 July 2019

#### Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event; it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised in finance costs in profit or loss in the period it arises.

#### Financial instruments

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Where investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in profit or loss. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

#### 4. Turnover

Turnover arises from:

	2019	2018
	£	£
Construction contracts	9,863,979	10,337,969

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.



**Wiggett Homes Limited**

**Notes to the financial statements (continued)**

**Year ended 31 July 2019**

**5. Other operating income**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Rental income	104,995	131,145
	<u>104,995</u>	<u>131,145</u>

**6. Operating profit**

Operating profit is stated after charging/(crediting):

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
(Gain)/loss on disposal of intangible assets	(6,000)	(15,519)
Impairment of associated company debtor	100,000	-
Fees payable for the audit of the financial statements	9,750	8,750
Cost of stock recognised as an expense	12,594,405	11,893,150
	<u>12,594,405</u>	<u>11,893,150</u>

**7. Staff costs**

The aggregate payroll costs incurred during the year were:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Wages and salaries	-	300,000
Social security costs	-	41,400
	<u>-</u>	<u>341,400</u>

There were no employees during the year apart from the directors.

**8. Directors remuneration**

The directors aggregate remuneration in respect of qualifying services was:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Remuneration	-	300,000
	<u>-</u>	<u>300,000</u>

**9. Other interest receivable and similar income**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Bank deposits	3,819	3,128
	<u>3,819</u>	<u>3,128</u>

**Wiggett Homes Limited**

**Notes to the financial statements (continued)**  
**Year ended 31 July 2019**

**10. Interest payable and similar expenses**

	<b>2019</b>	2018
	<b>£</b>	£
Other interest payable and similar expenses	120,000	139,849

**11. Tax on profit**

**Major components of tax expense**

	<b>2019</b>	2018
	<b>£</b>	£
<b>Current tax:</b>		
UK current tax expense	24,769	33,619
<b>Tax on profit</b>	<b>24,769</b>	<b>33,619</b>

**Reconciliation of tax expense**

The tax assessed on the profit for the year is higher than (2018: lower than) the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%).

	<b>2019</b>	2018
	<b>£</b>	£
Profit before taxation	29,612	291,782
Profit multiplied by rate of tax	5,626	55,439
Effect of expenses not deductible for tax purposes	19,000	-
Utilisation of tax losses	-	(20,638)
Ground rents created x 25%	-	(1,568)
Gain on sale of intangible assets	143	386
<b>Tax on profit</b>	<b>24,769</b>	<b>33,619</b>

**12. Dividends**

**Equity dividends**

	<b>2019</b>	2018
	<b>£</b>	£
Dividends paid during the year (excluding those for which a liability existed at the end of the prior year)	-	150,000

**Wiggett Homes Limited**

**Notes to the financial statements (continued)**  
**Year ended 31 July 2019**

**13. Intangible assets**

	Ground rents created
	£
<b>Cost</b>	
At 1 August 2018	153,100
Disposals	(3,000)
<b>At 31 July 2019</b>	<u>150,100</u>
<b>Amortisation</b>	
At 1 August 2018 and 31 July 2019	<u>-</u>
<b>Carrying amount</b>	
At 31 July 2019	<u>150,100</u>
At 31 July 2018	<u>153,100</u>

**14. Tangible assets**

	Investment properties
	£
<b>Cost</b>	
At 1 August 2018	2,457,058
Transfer to cost of sales	(1,307,058)
<b>At 31 July 2019</b>	<u>1,150,000</u>
<b>Depreciation</b>	
At 1 August 2018 and 31 July 2019	<u>-</u>
<b>Carrying amount</b>	
At 31 July 2019	<u>1,150,000</u>
At 31 July 2018	<u>2,457,058</u>

**Investment property**

Included within the above is investment property as follows:

	£
At 1 August 2018	2,457,058
Transfer to cost of sales	(1,307,058)
<b>At 31 July 2019</b>	<u>1,150,000</u>

The investment properties were valued by Thomson & Associates (Chartered Surveyors) on 30 November 2016 at open market values. These valuations have been included in the financial statements as at 31 July 2018 and 2019.

**Wiggett Homes Limited**

**Notes to the financial statements (continued)**

**Year ended 31 July 2019**

**15. Stocks**

	<b>2019</b>	2018
	<b>£</b>	£
Work in progress	9,317,594	5,969,418
Land	5,407,443	4,825,254
	<u>14,725,037</u>	<u>10,794,672</u>

**16. Debtors**

	<b>2019</b>	2018
	<b>£</b>	£
Trade debtors	256,523	346,871
Prepayments and accrued income	-	18,570
Other debtors	68,753	113,817
	<u>325,276</u>	<u>479,258</u>

**17. Creditors: amounts falling due within one year**

	<b>2019</b>	2018
	<b>£</b>	£
Other loans	830,845	-
Trade creditors	86,098	69,108
Amounts owed to group undertakings	13,504,272	11,531,295
Accruals and deferred income	8,950	353,899
Corporation tax	24,769	33,619
Other creditors	491,895	491,895
	<u>14,946,829</u>	<u>12,479,816</u>

Other loans (secured) include an amount of £830,845 owed to the Greater Manchester Housing Fund. Security is in the form of a first legal charge over the groups development site at Hare Hill Mill Littleborough, with a parent company guarantee. Interest is payable at EC Base Rate plus a margin of 3.22%.

**18. Provisions**

	Deferred tax (note 19)	Total
	<b>£</b>	£
<b>At 1 August 2018 and 31 July 2019</b>	<u>130,167</u>	<u>130,167</u>

# Wiggett Homes Limited

## Notes to the financial statements (continued) Year ended 31 July 2019

### 19. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2019 £	2018 £
Included in provisions (note 18)	130,167	130,167

The deferred tax account consists of the tax effect of timing differences in respect of:

	2019 £	2018 £
Fair value adjustment of investment property	130,167	130,167

### 20. Called up share capital

#### Authorised share capital

	2019		2018	
	No	£	No	£
Ordinary shares shares of £ 1.00 each	100	100	100	100

#### Issued, called up and fully paid

	2019		2018	
	No	£	No	£
Ordinary shares shares of £ 1.00 each	100	100	100	100

### 21. Reserves

Profit and loss account : This reserve records retained earnings and accumulated losses, and includes undistributable amounts of £650,834 (2018 : £650,834).

### 22. Related party transactions

During the year the company entered into the following transactions with related parties:

	Transaction value		Balance owed by/(owed to)	
	2019 £	2018 £	2019 £	2018 £
Colan Construction Limited	-	-	-	100,000
Wiggett Construction Limited Retirement Benefits Scheme	-	-	(491,895)	(491,895)
Freizland Developments Limited	60,000	-	61,000	1,000

Mr P J Wiggett and Mr S P J Wiggett are also directors of Friezland Developments Limited.

**Wiggett Homes Limited**

**Notes to the financial statements (continued)**  
**Year ended 31 July 2019**

**23. Controlling party**

The company is a wholly owned subsidiary of Wiggett Construction Group Limited a company registered in England and Wales.