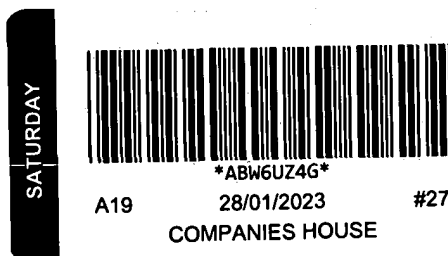


**Wiggett Homes Limited**  
**Financial Statements**  
**31 July 2022**



**WRIGLEY PARTINGTON**

Chartered accountants & statutory auditor  
Sterling House  
501 Middleton Road  
Chadderton  
Oldham  
OL9 9LY

# Wiggett Homes Limited

## Strategic Report

Year ended 31 July 2022

---

### Principal activities

The Wiggett Construction Group is a housebuilder operating in both the private and social housing sector.

### Review and analysis of the performance during the current year

In the first full year following the pandemic the Group has performed well. We have benefited from further contracting work which accounted for 18.6% of turnover in the year, with private sales making up the other 81.4%.

In the past year we completed on the sale of 48 new build properties to private clients. Although this is a reduction on the previous year, the average selling price increased from £256,579 to £365,927. The significant increase is due to a better mix of higher value family homes. Sales have been achieved over 4 development sites. All of these sites were build complete in the year with sales on 7 of these properties falling into the next financial year.

The current year has got off to a slow start as build completions were forecast to be down in the second quarter of the year. The cost of living crisis, the war in Ukraine and the recent hike in interest rates have all contributed to weaker demand in the new build housing market. However, we remain confident that we will be able to sell the majority of our output in the current financial year as we expect the market to settle down in the New Year. The average selling price will reduce in the year due to an increase in the number of entry level homes aimed at first time buyers and downsizers.

Cost price inflation remains high in the construction sector and this is expected to have a negative impact on margins in 2022-23. Gross margin in 2021-22 remained strong despite significant cost pressures.

We continue to work for Registered Providers which complements our private sales. During the year we worked on 4 projects which contributed £4million to turnover in the year. Contracting work remains very competitive achieving only low single figure margins.

Contracting work provides some certainty in an otherwise uncertain housing market and we continue to tender for work through various frameworks that we are on.

Overall turnover in the year increased to £21.6m (2021 £18.0m).

Retained profit after tax for the year was £2,885,519 (2021 £2,366,457)

### 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 short term target is to achieve 100 private sales in a year.

We will continue to develop and expand the private development side of our business whilst demand remains high.

The acquisition of suitable development land continues to be challenging as demand is strong for a resource which is in short supply and the time from identifying a site to putting a spade in the ground can be anything up to 3 years.

We have been successful in getting accepted on to the JV North and ICN Framework's recently and will look for other similar opportunities within the Social Housing sector going forward.

# Wiggett Homes Limited

## Strategic Report *(continued)*

Year ended 31 July 2022

---

### Principal risks and uncertainties:

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 work with 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.

Economy - The UK economy is now in recession, the effects of Brexit and the war in Ukraine having a negative impact on consumer confidence.. The outlook for the UK economy remains uncertain affecting demand in the housing market resulting in lower revenues, margins and cashflow.

Inflation - Inflation, both in labour and materials continues to be an issue. Increased demand and shortage of supply have seen costs rise 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.

Materials - there has been unprecedented demand for building materials over the last 2 years. Supply has often failed to keep up with demand and lead times have increased to levels not seen before. By ordering well in advance and maintaining strong supplier relationships we have managed to overcome many of these supply problems.

Land - A key focus of the business remains securing suitable land at the right price to secure profitable future trading.

Financing - We continue to self-fund the bulk of our output. External finance is available should the need arise and we expect to obtain further funding from GMHF as well as Homes England for future projects, both of whom we have an established track record with and offer very competitive rates of interest.

The board of directors monitor these risks on a weekly, monthly and annual basis, and take action to mitigate their impact on the business.

### Group financial key performance indicators

	2022	2021	2020	2019	2018
	£	£	£	£	£
Turnover £'000	21,641	17,978	15,217	13,652	12,651
Gross Profit £'000	4,942	2,628	2,246	1,803	2,053
Gross Profit %	22	14	14	13	16
Operating Profit £'000	3,499	1,318	897	324	411
Operating Profit/Turnover %	16	7	6	2	3
Number of Employees	32	31	31	36	39

# Wiggett Homes Limited

## Strategic Report *(continued)*

**Year ended 31 July 2022**

---

This report was approved by the board of directors on 21 December 2022 and signed on behalf of the board by:



Mrs J C Sutton  
Director

Registered office:  
Viking House  
449 Middleton Road  
Chadderton  
Oldham  
OL9 9LB

# **Wiggett Homes Limited**

## **Directors' Report**

### **Year ended 31 July 2022**

---

The directors present their report and the financial statements of the company for the year ended 31 July 2022.

#### **Directors**

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

Mrs J C Sutton  
S P J Wiggett

#### **Dividends**

Particulars of recommended dividends are detailed in note 11 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;
- 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 2022

---

### 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 21 December 2022 and signed on behalf of the board by:



Mrs J C Sutton  
Director

Registered office:  
Viking House  
449 Middleton Road  
Chadderton  
Oldham  
OL9 9LB

# **Wiggett Homes Limited**

## **Independent Auditor's Report to the Members of Wiggett Homes Limited**

**Year ended 31 July 2022**

---

### **Opinion**

We have audited the financial statements of Wiggett Homes Limited (the 'company') for the year ended 31 July 2022 which comprise the statement of income and retained earnings, statement of financial position, statement of cash flows and the related notes, 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 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

# Wiggett Homes Limited

## Independent Auditor's Report to the Members of Wiggett Homes Limited

(continued)

Year ended 31 July 2022

---

### 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.

### 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 have been prepared in accordance with applicable legal requirements.

### Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



# Wiggett Homes Limited

## Independent Auditor's Report to the Members of Wiggett Homes Limited

(continued)

Year ended 31 July 2022

---

### 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the company, we identified that the principal risks of non-compliance related to those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006 and FRS 102. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were relating to posting inappropriate journal entries to manipulate financial results and management bias in accounting estimates. Appropriate audit procedures were therefore performed to address those risks including testing journal entries and challenging assumptions and judgements made by management in their significant accounting estimates. There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

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.
-

# Wiggett Homes Limited

## Independent Auditor's Report to the Members of Wiggett Homes Limited

(continued)

Year ended 31 July 2022

---

- 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.
- 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 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.



Andrew P Dixon (Senior Statutory Auditor)

For and on behalf of  
Wrigley Partington  
Chartered accountants & statutory auditor  
Sterling House  
501 Middleton Road  
Chadderton  
Oldham  
OL9 9LY

21 December 2022

# Wiggett Homes Limited

## Statement of Income and Retained Earnings

Year ended 31 July 2022

---

	Note	2022 £	2021 £
<b>Turnover</b>	<b>4</b>	17,568,384	12,574,411
Cost of sales		13,747,601	11,269,621
<b>Gross profit</b>		3,820,783	1,304,790
Distribution costs		3,885	4,942
Administrative expenses		759,012	1,012,580
Other operating income	<b>5</b>	116,104	113,661
<b>Operating profit</b>	<b>6</b>	3,173,990	400,929
Other interest receivable and similar income	<b>8</b>	3,977	1,578,070
Interest payable and similar expenses	<b>9</b>	120,000	151,827
<b>Profit before taxation</b>		3,057,967	1,827,172
Tax on profit	<b>10</b>	581,156	340,725
<b>Profit for the financial year and total comprehensive income</b>		<u>2,476,811</u>	<u>1,486,447</u>

All the activities of the company are from continuing operations.

---

The notes on pages 13 to 21 form part of these financial statements.

# Wiggett Homes Limited

## Statement of Financial Position

31 July 2022

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Intangible assets	12	144,850	147,850
Tangible assets	13	<u>2,722,000</u>	<u>2,722,000</u>
		2,866,850	2,869,850
<b>Current assets</b>			
Stocks	14	9,332,692	11,234,564
Debtors	15	4,023,494	1,381,288
Cash at bank and in hand		<u>5,361,087</u>	<u>3,686,428</u>
		18,717,273	16,302,280
<b>Creditors: amounts falling due within one year</b>	16	<u>17,290,468</u>	<u>15,005,286</u>
<b>Net current assets</b>		<u>1,426,805</u>	<u>1,296,994</u>
<b>Total assets less current liabilities</b>		4,293,655	4,166,844
<b>Provisions</b>	17	<u>422,338</u>	<u>422,338</u>
<b>Net assets</b>		<u>3,871,317</u>	<u>3,744,506</u>
<b>Capital and reserves</b>			
Called up share capital	20	100	100
Profit and loss account	21	<u>3,871,217</u>	<u>3,744,406</u>
<b>Shareholders funds</b>		<u>3,871,317</u>	<u>3,744,506</u>

These financial statements were approved by the board of directors and authorised for issue on 21 December 2022, and are signed on behalf of the board by:



Mrs J C Sutton  
Director

Company registration number: 1970223

The notes on pages 13 to 21 form part of these financial statements.

# Wiggett Homes Limited

## Statement of Cash Flows

Year ended 31 July 2022

	2022 £	2021 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	2,476,811	1,486,447
<i>Adjustments for:</i>		
Fair value adjustment of investment property	–	(1,572,000)
Other interest receivable and similar income	(3,977)	(6,070)
Interest payable and similar expenses	120,000	151,827
Gains on disposal of intangible assets	(7,000)	(3,500)
Tax on profit	581,156	340,725
<i>Changes in:</i>		
Stocks	1,901,872	1,899,761
Trade and other debtors	(2,642,206)	(722,359)
Trade and other creditors	1,752,580	205,247
Cash generated from operations	4,179,236	1,780,078
Interest paid	(120,000)	(151,827)
Interest received	3,977	6,070
Tax paid	(48,554)	(63,036)
Net cash from operating activities	<u>4,014,659</u>	<u>1,571,285</u>
<b>Cash flows from investing activities</b>		
Proceeds from sale of intangible assets	10,000	5,000
Net cash from investing activities	<u>10,000</u>	<u>5,000</u>
<b>Cash flows from financing activities</b>		
Dividends paid	(2,350,000)	(100,000)
Net cash used in financing activities	<u>(2,350,000)</u>	<u>(100,000)</u>
<b>Net increase in cash and cash equivalents</b>	1,674,659	1,476,285
<b>Cash and cash equivalents at beginning of year</b>	3,686,428	2,210,143
<b>Cash and cash equivalents at end of year</b>	<u>5,361,087</u>	<u>3,686,428</u>

The notes on pages 13 to 21 form part of these financial statements.

# Wiggett Homes Limited

## Notes to the Financial Statements

Year ended 31 July 2022

---

### 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.

### 2. Statement of compliance

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

#### Judgements and key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities income and expenses.

#### Revenue recognition

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

#### Income tax

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

# Wiggett Homes Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 July 2022

---

### 3. Accounting policies *(continued)*

#### Intangible assets

Ground rents created - Ground rents are created at five times the annual amount receivable in the year in which the leasehold interest in the 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.

#### Tangible assets

Tangible assets are initially recorded at cost, and 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 equity, 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 equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

#### Investment property

Investment property is initially recorded 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.

#### Impairment of fixed assets

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.

For the purposes of impairment testing, 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 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.

# Wiggett Homes Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 July 2022

---

### 3. Accounting policies *(continued)*

#### 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.

#### 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 as a finance cost 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.



# Wiggett Homes Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 July 2022

---

### 3. Accounting policies *(continued)*

#### Financial instruments *(continued)*

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:

	2022 £	2021 £
Construction contracts	<u>17,568,384</u>	<u>12,574,411</u>

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

### 5. Other operating income

	2022 £	2021 £
Other operating income	<u>116,104</u>	<u>113,661</u>

### 6. Operating profit

Operating profit or loss is stated after charging/crediting:

	2022 £	2021 £
Gains on disposal of intangible assets	(7,000)	(3,500)
Fair value adjustments to investment property	—	(1,572,000)
Cost of stock recognised as an expense	<u>11,845,729</u>	<u>9,119,860</u>

### 7. Auditor's remuneration

	2022 £	2021 £
Fees payable for the audit of the financial statements	<u>10,500</u>	<u>10,500</u>

# Wiggett Homes Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 July 2022

### 8. Other interest receivable and similar income

	2022	2021
	£	£
Interest on bank deposits	3,977	6,070
Gain on fair value adjustment of financial assets at fair value through profit or loss	—	1,572,000
	<u>3,977</u>	<u>1,578,070</u>

### 9. Interest payable and similar expenses

	2022	2021
	£	£
Other interest payable and similar charges	<u>120,000</u>	<u>151,827</u>

### 10. Tax on profit

#### Major components of tax expense

	2022	2021
	£	£
<b>Current tax:</b>		
UK current tax expense	581,156	48,554
<b>Deferred tax:</b>		
Origination and reversal of timing differences	—	292,171
<b>Tax on profit</b>	<u>581,156</u>	<u>340,725</u>

#### Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is higher than (2021: lower than) the standard rate of corporation tax in the UK of 19% (2021: 19%).

	2022	2021
	£	£
Profit on ordinary activities before taxation	<u>3,057,967</u>	<u>1,827,172</u>
Profit on ordinary activities by rate of tax	581,014	347,163
Gain on sale of intangibles	142	71
Effect of change in tax rates	—	(6,509)
<b>Tax on profit</b>	<u>581,156</u>	<u>340,725</u>

### 11. Dividends

	2022	2021
	£	£
Dividends paid during the year (excluding those for which a liability existed at the end of the prior year )	<u>2,350,000</u>	<u>100,000</u>

# Wiggett Homes Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 July 2022

---

### 12. Intangible assets

	Ground rents created £
<b>Cost</b>	
At 1 August 2021	147,850
Additions	—
Disposals	(3,000)
<b>At 31 July 2022</b>	<u>144,850</u>
<b>Amortisation</b>	
At 1 August 2021 and 31 July 2022	<u>—</u>
<b>Carrying amount</b>	
At 31 July 2022	<u>144,850</u>
At 31 July 2021	<u>147,850</u>

### 13. Tangible assets

	Investment properties £
<b>Cost</b>	
At 1 August 2021 and 31 July 2022	<u>2,722,000</u>
<b>Depreciation</b>	
At 1 August 2021 and 31 July 2022	<u>—</u>
<b>Carrying amount</b>	
At 31 July 2022	<u>2,722,000</u>
At 31 July 2021	<u>2,722,000</u>

Included within the above is investment property as follows:

	£
<b>At 1 August 2021 and 31 July 2022</b>	<u>2,722,000</u>

The investment properties were valued in June 2021 by Savills (Estate Agents) at open market values. These valuations have been included in the financial statements as at 31 July 2021 and 31 July 2022.

The historical cost of investment property included at fair value was £499,166 (2021 : £499,166).

No depreciation is charged on investment property.

# Wiggett Homes Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 July 2022

### 14. Stocks

	2022 £	2021 £
Land	3,563,663	4,979,416
Work in progress	5,769,029	6,255,148
	<u>9,332,692</u>	<u>11,234,564</u>

### 15. Debtors

	2022 £	2021 £
Trade debtors	16,392	146,077
Amounts owed by group undertakings	4,001,888	1,232,125
Other debtors	5,214	3,086
	<u>4,023,494</u>	<u>1,381,288</u>

### 16. Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	88,869	75,981
Amounts owed to group undertakings	16,590,582	14,870,888
Accruals and deferred income	28,950	8,952
Corporation tax	581,156	48,554
Other creditors	911	911
	<u>17,290,468</u>	<u>15,005,286</u>

### 17. Provisions

	Deferred tax (note 18) £
At 1 August 2021 and 31 July 2022	<u>422,338</u>

### 18. Deferred tax

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

	2022 £	2021 £
Included in provisions (note 17)	<u>422,338</u>	<u>422,338</u>

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

	2022 £	2021 £
Fair value adjustment of investment property	<u>422,338</u>	<u>422,338</u>

# Wiggett Homes Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 July 2022

### 19. Financial instruments

All of the financial instruments of the company are basic financial instruments and are measured at the undiscounted amounts. None are measured at fair value.

### 20. Called up share capital

#### Authorised share capital

	2022		2021	
	No.	£	No.	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

#### Issued, called up and fully paid

	2022		2021	
	No.	£	No.	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

### 21. Reserves

Profit and loss account: This reserve records retained earnings and accumulated losses, and includes undistributable amounts of £2,222,834 (2021 : £2,222,834).

### 22. Analysis of changes in net debt

	At 1 Aug 2021	Cash flows	At 31 Jul 2022
	£	£	£
Cash at bank and in hand	3,686,428	1,674,659	5,361,087
Debt due within one year	(14,870,888)	(1,719,694)	(16,590,582)
	<u>(11,184,460)</u>	<u>(45,035)</u>	<u>(11,229,495)</u>

### 23. Related party transactions

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

	Transaction value		Balance owed by/(owed to)	
	2022	2021	2022	2021
	£	£	£	£
Wiggett Construction Limited 1997 FURB Scheme	—	(232)	(911)	(911)
Wiggett Construction Limited Retirement Benefits Scheme	<u>—</u>	<u>355,890</u>	<u>—</u>	<u>—</u>

# **Wiggett Homes Limited**

## **Notes to the Financial Statements** *(continued)*

**Year ended 31 July 2022**

---

### **24. Controlling party**

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