

Registered number: 00808193

WHEATLEY PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022



WHEATLEY PLC

COMPANY INFORMATION

Directors	J P Woods H W Baker G S Woods C L Stewart M J Foreman A L Dutton (appointed 1 September 2022)
Company secretary	C L Stewart
Registered number	00808193
Registered office	Wheatley House Dunhams Lane Letchworth Garden City Hertfordshire SG6 1BE
Independent auditors	MHA MacIntyre Hudson Chartered Accountants & Statutory Auditors 6th Floor 2 London Wall Place London EC2Y 5AU

WHEATLEY PLC

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WHEATLEY PLC

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2022

Introduction

At the Balance Sheet date the Company is an intermediary holding company. The principal activity of the group headed by the Company continued to be property development.

The Company provides central administrative services for the Group and the Group's activities are central to the business of the company.

Business review

The Group is continuing to purchase residential development sites and to acquire options on longer term sites to ensure continuity of supply. The planning process still inhibits the early start of new schemes despite governmental efforts to speed up the system. Local authorities working from home has been a constant drag on progress.

The Buntingford site is progressing well, Phases one and two are completed and Phase three is now under construction. The site at Crowland for 100 units is now underway. The Henlow site is nearing completion.

Covid-19 Pandemic

The Company has taken appropriate measures to keep working conditions safe for employees and the public at all premises and sites.

Principal risks and uncertainties

The Group faces a number of business risks and uncertainties due to operating in the property development market. In view of this, the Directors have looked carefully at the projects currently in development and at the viability of future acquisitions.

The Group has traded well in the current financial year as people continue to seek improvement to their living standards post Covid-19 which has led to an improved housing market.

Financial key performance indicators

The principal Key Performance Indicators being monitored are the control of building costs and the timely completion of work. Labour costs continue to be reviewed resulting in some direct employment of labour.

WHEATLEY PLC

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

Section 172 statement

The Board of Directors at Wheatley PLC, in line with s172 of the Companies Act 2006, and in promoting the success of the company, act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of all stakeholders. In doing so, they have regard to:

- (a) The likely consequences of any decision in the long term;
- (b) The interests of the company's employees;
- (c) The need to foster the company's business relationships with suppliers, customers and others;
- (d) The impact of the company's operations on the community and the environment;
- (e) The desirability of the company maintaining a reputation for high standards of business conduct; and
- (f) The need to act fairly as between members of the company.

We maintain a culture and have values that are reflected in our decision making. All decisions and matters of strategic importance to Wheatley PLC are informed by these factors and reflected in the strategy, budgets and plans of the company. In particular, all developments are in carefully chosen locations and thoughtfully planned in harmony with surroundings. We adhere to responsible building practices and consider the consequences of all decisions and impact on the environment. We provide employment opportunities, maintain relationships with our customers and suppliers which are fair, and we seek to benefit to the communities in which we are based.

This report was approved by the board and signed on its behalf.


.....
H W Baker
Director

Date:

16/12/2022

WHEATLEY PLC

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2022

The directors present their report and the financial statements for the year ended 31 March 2022.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 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.

Results and dividends

The profit for the year, after taxation, amounted to £1,030,161 (2021 - £308,069).

During the year, dividends of £nil (2021: £nil) were paid.

Directors

The directors who served during the year were:

J P Woods
H W Baker
G S Woods
C L Stewart
M J Foreman

WHEATLEY PLC

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

Future developments

The Directors aim to maintain the management policies which have resulted in the Company's success in previous years.

The Commercial Development Company is not currently carrying out any new schemes, but new opportunities will be assessed as they arise.

The Group's residential schemes continued to sell well. The major housing scheme at Buntingford has been very popular and the second phase of 100 units is now completed. Phase three comprised of 86 units is now under construction.

The Group has acquired a site in Nazeing, Essex for 23 units and has gained planning consent for three large houses at Rabley Heath, Hertfordshire.

The Group is constantly reviewing forward planning to take account of the prevailing national political situation and the effects of post Covid-19 and the Russian invasion of Ukraine which has led to supply shortages and delays.

Qualifying third party indemnity provisions

Director's liability and indemnity insurance was in force throughout the year to cover the directors and officers of the company against actions brought against them in their personal capacities. Cover is not provided where the individual has acted fraudulently or dishonestly.

Greenhouse gas emissions, energy consumption and energy efficiency action

The company is unquoted and exempt under paragraph 20C of Part 7A of The Large and Medium Sized Companies and Groups (Accounts and Reports) Regulations 2008 in respect of Disclosures Concerning Greenhouse Gas Emissions Energy Consumption and Energy Efficiency Action.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

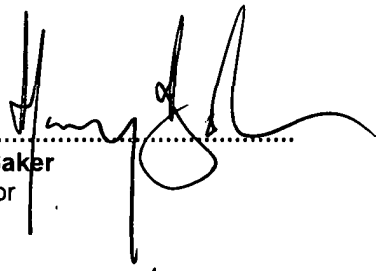
Auditors

The auditors, MHA MacIntyre Hudson, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

WHEATLEY PLC

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

This report was approved by the board and signed on its behalf.



.....
H W Baker
Director

Date:

16/12/2022

WHEATLEY PLC

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WHEATLEY PLC

Opinion

We have audited the financial statements of Wheatley Plc (the 'Company') for the year ended 31 March 2022, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of cash flows, the Statement of changes in equity 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2022 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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WHEATLEY PLC (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' report thereon. The directors are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 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.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 3, 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.

WHEATLEY PLC

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WHEATLEY PLC (CONTINUED)

Auditors' 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 Auditors' 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:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Because of the *inherent limitations of an audit*, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

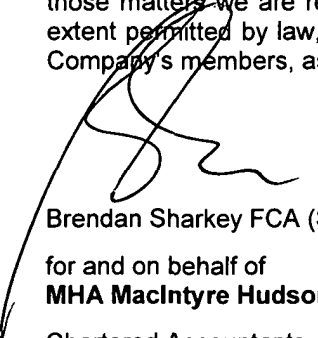
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

WHEATLEY PLC

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WHEATLEY PLC (CONTINUED)

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.



Brendan Sharkey FCA (Senior statutory auditor)

for and on behalf of
MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

London

Date:

29th December 2022

WHEATLEY PLC

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2022**

	Note	2022 £	2021 £
Administrative expenses		(2,471,475)	(3,164,957)
Other operating income	4	3,750,000	3,717,012
Operating profit	5	1,278,525	552,055
Interest receivable and similar income	9	285	592
Interest payable and similar expenses	10	(486)	(175,618)
Profit before tax		1,278,324	377,029
Tax on profit	11	(248,163)	(68,960)
Profit for the financial year		1,030,161	308,069

There was no other comprehensive income for 2022 (2021:£NIL).

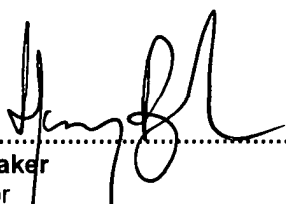
The notes on pages 15 to 26 form part of these financial statements.

WHEATLEY PLC
REGISTERED NUMBER: 00808193

BALANCE SHEET
AS AT 31 MARCH 2022

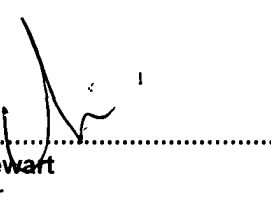
	Note	2022 £	2021 £
Fixed assets			
Investments	12	2,780,136	2,752,556
		<u>2,780,136</u>	<u>2,752,556</u>
Current assets			
Debtors: amounts falling due within one year	13	19,606,795	17,370,611
Cash at bank and in hand	14	588,654	654,302
		<u>20,195,449</u>	<u>18,024,913</u>
Creditors: amounts falling due within one year	15	(10,693,947)	(9,275,992)
Net current assets		<u>9,501,502</u>	<u>8,748,921</u>
Total assets less current liabilities		<u>12,281,638</u>	<u>11,501,477</u>
Creditors: amounts falling due after more than one year	16	(8,562,500)	(8,812,500)
Net assets		<u><u>3,719,138</u></u>	<u><u>2,688,977</u></u>
Capital and reserves			
Called up share capital	18	826,398	826,398
Capital redemption reserve	19	173,602	173,602
Other reserves	19	17,882	17,882
Profit and loss account	19	2,701,256	1,671,095
		<u><u>3,719,138</u></u>	<u><u>2,688,977</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



H W Baker
 Director

Date: 16/12/2022



C L Stewart
 Director

Date: 16/12/2022

The notes on pages 15 to 26 form part of these financial statements.

WHEATLEY PLC

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022**

	Called up share capital	Capital redemption reserve	Other reserves	Profit and loss account	Total equity
	£	£	£	£	£
At 1 April 2020	826,398	173,602	17,882	1,363,026	2,380,908
Comprehensive income for the year					
Profit for the year	-	-	-	308,069	308,069
At 1 April 2021	826,398	173,602	17,882	1,671,095	2,688,977
Comprehensive income for the year					
Profit for the year	-	-	-	1,030,161	1,030,161
At 31 March 2022	826,398	173,602	17,882	2,701,256	3,719,138

The notes on pages 15 to 26 form part of these financial statements.

WHEATLEY PLC

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022**

	2022 £	2021 £
Cash flows from operating activities		
Profit for the financial year	1,030,161	308,069
Adjustments for:		
Interest paid	486	175,618
Interest received	(285)	(592)
Taxation charge	248,163	68,960
(Increase)/decrease in debtors	(4,813)	5,776
(Increase)/decrease in amounts owed by groups	(2,231,371)	2,002,610
(Decrease)/increase in creditors	(618,973)	1,092,086
Increase in amounts owed to groups	1,857,493	6,618,859
Corporation tax (paid)	(68,728)	(81,892)
Net cash generated from operating activities	212,133	10,189,494
Cash flows from investing activities		
Purchase of fixed asset investments	(27,580)	-
Interest received	285	592
Net cash from investing activities	(27,295)	592
Cash flows from financing activities		
Repayment of loans	(250,000)	(9,750,000)
Interest paid	(486)	(175,618)
Net cash used in financing activities	(250,486)	(9,925,618)
Net (decrease)/increase in cash and cash equivalents	(65,648)	264,468
Cash and cash equivalents at beginning of year	654,302	389,834
Cash and cash equivalents at the end of year	588,654	654,302
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	588,654	654,302
	588,654	654,302

The notes on pages 15 to 26 form part of these financial statements.

WHEATLEY PLC

**ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 MARCH 2022**

	At 1 April 2021 £	Cash flows £	Other non- cash changes £	At 31 March 2022 £
Cash at bank and in hand	654,302	(65,648)	-	588,654
Debt due after 1 year	(8,812,500)	-	250,000	(8,562,500)
Debt due within 1 year	(250,000)	250,000	(250,000)	(250,000)
	<u>(8,408,198)</u>	<u>184,352</u>	<u>-</u>	<u>(8,223,846)</u>

The notes on pages 15 to 26 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

1. General information

Wheatley Plc is an unlisted public company, limited by shares, incorporated in England and Wales, registration number 00808193. The registered office is Wheatley House, Dunhams Lane, Letchworth, Herts, SG6 1BE. The principal activity is the sale of real estate.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The financial statements are prepared in pounds sterling, the functional currency, rounded to the nearest £1.

Wheatley Plc is a parent company. These financial statements are for the individual entity. Group accounts are not required as Wheatley Plc and its subsidiaries are consolidated into the financial statements of the ultimate parent company, Wheatley Holdings Limited (see note 22).

The following principal accounting policies have been applied:

2.2 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of comprehensive income in the same period as the related expenditure.

2.3 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.4 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.5 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

2. Accounting policies (continued)

2.6 Pensions

Defined contribution pension plan

The Company operates a defined contribution pension plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.7 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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

2.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

2.9 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

2. Accounting policies (continued)

2.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

2.11 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.12 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described above, management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimate and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period if the revision affects both current and future periods.

The key sources of estimation uncertainty that have a significant effect on amounts recognised in the financial statements are described below:

Investments

Judgements have been made in relation to the valuation of investments in subsidiaries. The directors have concluded that the values are appropriate and there is no required impairment.

4. Other operating income

	2022 £	2021 £
Sundry income	-	36
Government grants receivable	-	40,976
Fees receivable	3,750,000	3,676,000
	<u>3,750,000</u>	<u>3,717,012</u>

5. Operating profit

The operating profit is stated after charging:

	2022 £	2021 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	8,000	8,000
Defined contribution pension cost	71,468	61,884
	<u>71,468</u>	<u>61,884</u>

WHEATLEY PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

6. Auditors' remuneration

	2022 £	2021 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>8,000</u>	<u>8,000</u>
Fees payable to the Company's auditor and its associates in respect of:		
All other services	<u>25,788</u>	<u>7,538</u>
	<u>25,788</u>	<u>7,538</u>

7. Employees

Staff costs, including directors' remuneration, were as follows:

	2022 £	2021 £
Wages and salaries	1,827,533	2,426,481
Social security costs	248,907	320,628
Cost of defined contribution pension scheme	71,468	61,884
	<u>2,147,908</u>	<u>2,808,993</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2022 No.	2021 No.
Employees	<u>20</u>	<u>21</u>

WHEATLEY PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

8. Directors' remuneration

	2022 £	2021 £
Directors' emoluments	1,087,848	1,748,170
Company contributions to defined contribution pension schemes	37,542	29,886
	<u>1,125,390</u>	<u>1,778,056</u>

During the year retirement benefits were accruing to 2 directors (2021 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £377,755 (2021 - £1,229,393).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £NIL (2021 - £NIL).

The directors are the Key Management Personnel of the company.

9. Interest receivable

	2022 £	2021 £
Other interest receivable	285	592
	<u>285</u>	<u>592</u>

10. Interest payable and similar expenses

	2022 £	2021 £
Bank interest payable	-	173,694
Other interest payable	486	1,924
	<u>486</u>	<u>175,618</u>

WHEATLEY PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

11. Taxation

	2022 £	2021 £
Corporation tax		
Current tax on profits for the year	248,395	68,960
Adjustments in respect of previous periods	(232)	-
Total current tax	248,163	68,960

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2021 - lower than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £	2021 £
Profit on ordinary activities before tax	1,278,324	377,029
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	242,882	71,636
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	5,149	-
Adjustments to tax charge in respect of prior periods	(232)	-
Changes in provisions leading to an (decrease) increase in the tax charge	364	(2,676)
Total tax charge for the year	248,163	68,960

Factors that may affect future tax charges

The rate of corporation tax increases to 25% in 2023.

WHEATLEY PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

12. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2021	2,752,556
Additions	27,580
At 31 March 2022	2,780,136
Net book value	
At 31 March 2022	2,780,136
At 31 March 2021	2,752,556

The registered office of all direct and indirect subsidiary undertakings is Wheatley House, Dunhams Lane, Letchworth, Hertfordshire, SG6 1BE.

WHEATLEY PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

12. Fixed asset investments (continued)**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

Name	Subsidiary	Principal activity	Class of shares	Holding
Wheatley Properties Limited	Direct	Builders and estate developers	Ordinary	100%
Wheatley Group Developments Limited	Direct	Builders and estate developers	Ordinary	100%
Wheatley Homes (Baldock) Limited	Direct	Dormant	Ordinary	100%
Wheatley Homes (PPE) Limited	Direct	Dormant	Ordinary	100%
Wheatley Commercial Developments Limited	Direct	Builders and estate developers	Ordinary	100%
Wheatley Homes Limited	Indirect	Property marketing	Ordinary	100%
Wheatley Winton Hayes Limited	Indirect	Building and construction industry	Ordinary	100%
Wheatley (Buntingford) Limited	Indirect	Builders and estate developers	Ordinary	100%
Constantine Plant Company Limited	Indirect	Dormant	Ordinary	100%
Wheatley Homes (Southern) Limited	Indirect	Dormant	Ordinary	100%
Berkhamsted Trading Company Limited	Indirect	Dormant	Ordinary	100%
Maguire & Woods Construction Limited	Indirect	Dormant	Ordinary	100%
Winton Hayes Finance Limited	Indirect	Dormant	Ordinary	100%
Aspenden Trading Limited	Indirect	Dormant	Ordinary	100%
Winton Hayes (Midlands) Limited	Indirect	Dormant	Ordinary	100%

On 31 March 2022, the Company acquired 100% of the share capital of Wheatley Commercial Developments Limited.

13. Debtors

	2022 £	2021 £
Amounts owed by group undertakings	19,601,982	17,370,611
Prepayments and accrued income	4,813	-
	<u>19,606,795</u>	<u>17,370,611</u>

WHEATLEY PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

14. Cash and cash equivalents

	2022 £	2021 £
Cash at bank and in hand	588,654	654,302
	<u>588,654</u>	<u>654,302</u>

15. Creditors: Amounts falling due within one year

	2022 £	2021 £
Bank loans (note 17)	250,000	250,000
Trade creditors	5,615	62
Amounts owed to group undertakings	9,170,556	7,313,063
Corporation tax	248,395	68,960
Other taxation and social security	140,316	84,890
Other creditors	23,477	23,671
Accruals and deferred income	855,588	1,535,346
	<u>10,693,947</u>	<u>9,275,992</u>

Security over bank loans is detailed in Note 17.

16. Creditors: Amounts falling due after more than one year

	2022 £	2021 £
Bank loans (note 17)	8,562,500	8,812,500
	<u>8,562,500</u>	<u>8,812,500</u>

Security over bank loans is detailed in Note 17.

WHEATLEY PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

17. Loans

Analysis of the maturity of loans is given below:

	2022 £	2021 £
Amounts falling due within one year		
Bank loans	250,000	250,000
	<u>250,000</u>	<u>250,000</u>
Amounts falling due 1-2 years		
Bank loans	250,000	250,000
	<u>250,000</u>	<u>250,000</u>
Amounts falling due 2-5 years		
Bank loans	8,312,500	8,562,500
	<u>8,312,500</u>	<u>8,562,500</u>
	<u>8,812,500</u>	<u>9,062,500</u>

Secured Loans

During the year, the company refinanced the bank loan amounting to £8,812,500 (2021: £9,062,500) in full. The loan is due for repayment on 30 April 2025 and bears a minimum interest rate of 3%.

The bank borrowings are secured by a fixed charge over a number of properties both completed and under construction included in stock and tangible fixed assets of other group companies. They are also the subject of an unlimited cross guarantee by the holding company and subsidiary companies.

18. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
826,398 (2021 - 826,398) Ordinary shares of £1.00 each	<u>826,398</u>	<u>826,398</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

19. Reserves

Capital redemption reserve

The capital redemption reserve of £173,602 (2021: £173,602) is represented by the redemption of Ordinary shares and is not distributable.

Other reserves

Other reserves relate to non-distributable reserves.

Profit and loss account

The profit and loss account is represented by retained earnings. Changes in reserves are set out in the Statement of Changes in Equity.

20. Pension commitments

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £71,468 (2021: £61,884). Contributions totalling £5,890 (2021: £6,084) were payable to the fund at the balance sheet date.

21. Related party transactions

The company has taken advantage of the exemption available in the Financial Reporting Standard 102 Section 33 whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group.

At 31 March 2022, included in other creditors is £17,391 (2021: £17,391) due to related companies under common control. This amount is unsecured, interest free, and repayable on demand.

22. Ultimate parent entity

The immediate and ultimate parent company of Wheatley Plc is Wheatley Holdings Limited, with a registered office as that of the company.

The accounts of the company are included in the consolidated financial statements of Wheatley Holdings Limited, copies of which are available from the Registrar of Companies, Companies House, Cardiff, CF14 3UZ.